THE ITALIAN CORPORATIVE STATE

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INTRODUCTION

WHAT is meant by the Corporative State? Such is the question which an Italian citizen is constantly expected to answer to-day, when discussing political questions with a friend of some other nationality, and this question may now be said fairly to have taken the place of those others such as, "What does Fascism mean?" or "Who will be Mussolini's successor?" to which he had grown accustomed but a short while ago.

This new stage of evolution in the questions of persons interested in political developments shows that, as a result of what they have heard or of what they have read in articles by visitors to Italy, or in official communications, there is at last emerging a rough general idea of what Fascism really is and of what it sets out to accomplish. Moreover, it would appear that the more enlightened public would be grateful for further information, not merely as to the external aspects of the Fascist movement, but more particularly regarding the political structure which it has gradually brought into being.

Fascism, which arose in the first instance as a revolutionary manifestation, and has from the beginning claimed to be considered as such, might well to-day be regarded merely as a reactionary movement of a Conservative, bourgeois and anti-socialistic type, if it had simply limited itself to a forcible re-establishment of internal order and of discipline in the field of labour and had not at the same time brought about a change in existing institutions, inspiring them with a conception absolutely foreign to that which had previously characterised Democratic and Liberal Governments.

Undoubtedly the early Fascist attacks on the institutions of the day and the violence of its hostility to its adversaries were not to any large degree based on well-matured or fully considered theory. The earlier action of the Fascist Party was the outcome of a spontaneous and vigorous movement for the protection of certain clearly defined moral and economic interests. When, however, the positions essential for the proper governing of the country had been once secured, it became necessary for Fascism to recast the implications of its own theory, and to establish a line of policy which would infuse the new State institutions with a living spirit, attuned to the political and economic conditions of the age.

The idea of the sovereignty of the State and of national unity is the primary motive underlying the Fascist theory of government. "All within the State, all for the State, none against the State" is a Mussolinian slogan which sums up forcibly enough the Fascist purpose of concentrating in the Government the maximum degree of power, of authority and of responsibility. Through this concentration and the consequential strengthening of its capacity for encouraging, controlling and directing every kind of movement within the State, the Government is greatly advantaged in finding a solution, with due regard to the interests of the Nation at large, of all those problems which elsewhere come up for consideration by representative assemblies or Parliaments, slow at coming to decisions and hesitant in their policies under the influence of divergent currents of political or of local opinion.

Parallel to this unifying principle, which corresponds to a clearly marked present-day tendency towards increasing the power and responsibility of governments, and at the same time fulfils the requirement of a closer fusion of the various districts of Italy, in some cases not yet completely cured of a certain excessive regionalism, there is to be noted another concept implicit in the State system which Fascism desires to build up—

namely, the economic collaboration of the various categories [1] engaged in production.

This new economic departure may be said to lie somewhere between the Liberalism which originated in England, where it found a school to work out its theories, parties to preach them and economic conditions specially favourable for their practical application on a large scale, and the Communism which in Russia unites to-day and gives practical effect to those Marxist theories that in the past had found acceptance to a greater or less degree in many parts of Europe.

In effect, the new theory neither abrogates nor denies the antagonism between classes; it seeks on the contrary to differentiate therein the various categories concerned in production and to harmonise the inevitable causes of contrasting views on a basis of equality and in the light of common interests.

The different categories of producers are represented officially by various Occupational Associations which in certain aspects find their parallel in the English Trade Unions, differing however from these Unions inasmuch as they are officially recognised by the Government. These Occupational Associations, consisting solely of employers or of workers or of persons belonging to one or other of the liberal professions, are grouped in Corporations for purposes of the protection and development of some specific branch of production. These advisory bodies are organs of State, and they embody all the elements involved in a given branch of production—namely, capital, labour and technical direction. It is precisely from the character of these institutions—so distinctive a feature of the new political and economic order in Italy—that the epithet of "corporative" is derived, which serves to differentiate the Fascist State in its particular characteristics from other State types based on principles fundamentally different.

[1] The word "category," which has something of an Aristotelian flavour, is intended to signify the occupational grouping of individuals, or of firms engaged in some particular branch of productive activity.

Syndicalism itself, anterior in order of time to Fascist "corporativism," and representing a political theory closely akin thereto, does not now seem to cover the entire field, seeing that it so largely depends upon the idea of the inevitability of the class struggle. The idea of a "State of Syndicates" differs from that of the Corporative State, inasmuch as, side by side with the needs and aspirations of the various categories of producers organised in Occupational Associations, there also exist certain moral and historical values which are not limited to the interests of these associations, nor are simply an appanage of them, but have reference to the Nation viewed as a single whole, which is something far transcending a mere organisation of various occupational activities.

The legal conception of property and of private enterprise necessarily comes to be modified in the light of the interests of the producers' categories and of the interests of the Nation as a whole. The function of private enterprise is assessed from the standpoint of public interest, and hence an owner or director of a business undertaking is responsible before the State for his production policy. Thus the State reserves to itself the right to intervene and to take the place of the individual, should he misuse his rights.

Such then are the principles upon which the structure of the Corporative State is founded. These principles came to be formulated in the course of some ten years' experience of governing and had not been directly foreseen, it should be noted, by any student of politics or sociology. Under the shadow of the Fascist flag, in a political atmosphere constantly warmed at the fires of national idealism and characterised by persistent effort to raise the national prestige and to reach a high stage of achievement, there has been evolved this theory of the State which, although appraising every manifestation solely in relation to its practical connection with vital concerns, is now tending to determine a scale of interests, within which those of the Nation considered as a single indivisible unit are predominant.

The object of the present study is to give as accurate a description as possible of the organisation of the Corporative State as regards the relations between capital and labour.

It is proposed here to show how the institutions, which are intended to assist in dealing with the difficulties arising out of the differences between classes, have been built up, without however presuming that the organisation at present existing in Italy can serve absolutely to eliminate all such difficulties.

The first part of the book is designed to explain, for the benefit of a non-Italian reader, the principles of the Corporative Organisation. It begins with a description of the Occupational Associations (Chap. I), which present the clearest point of contact of classical syndicalism with "corporativism." Attention is called to the importance of the functions of the Occupational Associations, to their historical evolution and to their relations with the State; in addition certain details regarding their constitution are given.

The most striking results of the work of these Associations are to be found in the various methods followed in determining economic relations, that is to say, in the collective contracts (Chap. II), which lay down *a priori* the basic conditions under which labour is to be performed, and in the Labour Courts (Chap. III), which settle disputes arising in consequence of the non-fulfilment of the terms of the agreements whereby conditions of service should be regulated.

After acknowledgment of the absolute equality of rights as between the various Occupational Associations, representing respectively the different categories of producers, the Corporative System comes up for treatment as an evolution of syndical theory. The Corporations (Chap. IV) are shown as the machinery available for bringing about collaboration of interests as among the categories engaged in production. These central organs of liaison are considered from the point of view of their theoretical construction, and at the same time from the

point of view of their practical working, so as to give the reader an idea, by means of concrete examples, of the possibilities and of the value of the general principles involved in the system.

Passing next to the discussion of institutions of wider scope, a description is given of the National Council of the Corporations. This body focusses the work of the Corporations in all branches of their activities throughout Italy, and is an administrative organ endowed with such special attributions as make it a powerful influence in the development of the means of production and in the trend of the entire economic system of the nation.

All this organising activity, which in very many cases has had to evolve a sound system where previously none existed at all, and all the time worked in harmony with a new conception of economic life, is controlled and directed by appropriate official bureaus, brought together in the Ministry of the Corporations.

An analysis is given explaining the organisation of the chief departments of this body to which are attributed functions of fundamental importance in the making of the new Corporative State.

The concluding portion of the first part is devoted to a description of the special characteristics of the Corporative Parliament (Chap. V). As a result of the new economic organisation, the Italian Chamber of Deputies has taken on a new aspect, its present membership being largely based on the principle of the representation of the productive forces of the country. Hence special attention is devoted, not merely to the character of the membership of the new Parliament and its election machinery, but also to the new principles adopted by Fascism as regards the qualification of the elector.

The second part of the book bears the title "Occupational Associations in Practice."

In this part it has been the intention of the writer to discuss in some detail the Syndical Associations. The establishment of these associations may be regarded as the first practical result on a large scale of the corporative

policy, and they have now been at work for fully six years on lines that do not materially differ from those followed to-day. Thus the history of each of the great Occupational Associations receives particular attention, and an attempt has been made to trace their origins, not only in the post-war period, but also since the beginning of the century. At the same time a fuller description is given of those associations which, for certain reasons, either of an economic or "syndical" order, including class organisation or action for protection of interests, seem to stand out as the actual forerunners of the present Confederations.

This brief historical inquiry (for which it would appear there are but few precedents) would seem to indicate that the establishment of the great Occupational Associations which flourish in Italy to-day is properly connected with all that syndical movement which developed before the war, and that in several cases the Fascist organisations represent a real evolution of previous institutions.

In each case a full account of the present constitution of the existing association is given.

The thirteen sections into which Chapter VI is divided are followed by a summary account of the social welfare activities that have been fostered by the Corporative Régime (Chap. VII). Every benefit scheme of a collective character promoted, not by law in a form involving a liability on the citizens in general, but by the Occupational Associations, comes under discussion in this chapter. A clear distinction is drawn between institutions and movements resulting from the efforts of a Confederation or of a Vocational Association on behalf of its own members, and those which arise in consequence of the joint action of Associations between employers and workers engaged in the same branch of occupational activity.

Naturally the Workers' Leisure Time National Institute (*Dopolavoro*), which is one of the most original and characteristic features of Fascist activities in the field of social assistance, comes in for special notice.

But how do all these Occupational Associations manage to pay their way? Such is the question which naturally occurs to anyone interested in the financial side of a system seemingly so complex and elaborate. Chapter VIII contains a statement as to the contributions for syndical purposes which the law imposes on all persons concerned in the process of production. In addition it supplies information as to the kind of contribution that the associations themselves demand from their members in order to meet the cost of certain special requirements.

The book also contains three appendices. Appendix A gives the texts of the fundamental laws relating to the present order, which represent, so to say, its backbone and Magna Charta. Appendix B gives some statistical data on the most characteristic aspects of the syndical movement, etc., while Appendix C is an attempt to determine on orthodox lines, bearing Edgeworth's theories specially in mind, what is the economic interpretation of a wage fixed by any form of arbitration, as in the case of collective contracts under the Corporative Régime, rather than one determined by a free bargaining between employers and workers on a given market.

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PRINCIPLES OF THE CORPORATIVE SYSTEM

CHAPTER I

OCCUPATIONAL ASSOCIATIONS

I. THE RELATIONS BETWEEN THE STATE AND THE OCCUPATIONAL ASSOCIATIONS

Changes in the Conception of the State.

§ 1. THE fundamental question round which labour problems at present centre is that of the relations between the State and the occupational associations and between the individual and the occupational associations. The conception of the State has undergone notable theoretical variations from the Middle Ages to the present time. The elements on which the State organisation is based show continual changes with profound modifications in the relations which bind them to one another.

Political Influence of Occupational Organisation.

§ 2. Without recalling the various types of occupational association recorded in history, from the first "Collegia" of the republican epoch to the present Fascist Syndical Associations, it is evident how the occupational associations arise to safeguard the economic and political interests of individuals. Where a number of persons exercise similar trades, from the plurality of interests arise spontaneously agreements for the control of labour and the regulation of competition. Every productive organisation implies an occupational organisation among the persons engaged in the various branches of production.

The workers in the medieval Italian communes bound themselves together in leagues and corporations. These associations, of which the objects were mainly economic, assumed considerable political importance so that they balanced, by their united organisation, the political power

of the nobles. The trade associations took up various attitudes in relation to the government of the State. While there were fierce conflicts between the occupational associations of Florence and the communes, in Venice the economic life regulated by the crafts developed in quiet productiveness, under the guidance of a powerful Government separate from the craft corporations. In this connection it may be remarked that, if the corporative system in force in Venice did not degenerate into ruinous discord, this was due to the strength of the government of the Republic. But this strength was derived not so much from the organisation of the corporative system as from the very nature of the Government which, while dominating the corporations of crafts and trades, was composed of persons drawn from the ranks of a strict and conservative aristocracy.

This consideration must be borne in mind when one speaks of the necessity of a strong State and of a syndical régime. In view of the mainly economic organisation of modern States the aristocracy in power must be sought in the field of productive forces organised on syndical lines, so that it is from the corporative organisation itself that the strength and the authority of the State are derived.

French Individualism and English Constitutionalism.

§ 3. The individualistic spirit that manifested itself at the time of the French Revolution in the emancipation of the Third Estate, limited, as is well known, the possibilities of existence of occupational associations. The suppression of these associations was particularly injurious to the workers who, on the rise of large-scale industry in the last century, found themselves unorganised in the face of powerful employers. When they again arose, the associations were ignored by successive governments, until they became so influential and so numerous as to compel the governments to recognise them. Their recognition was limited to the private aspect, so that the occupational associations have attained full capacity without special consideration of their economic import-

ance. The collective entity of a group is still conceived as a person enjoying individual rights limited only by the rules laid down by the Civil Code.

In France occupational associations have had a marked tendency towards a certain unconstitutionalism, so that the legal rules laid down to regulate them have proved to be inadequate. In fact no duty towards the community is imposed on the workers' syndicates, which are often found to be the arbitrators of the national economy.

Even in England, where the widespread individualism had no legislative sanctions and occupational associations were not directly opposed, the Guilds, inspired by sentiments of brotherhood and co-operation, showed themselves to be inadequate in the face of the profound changes in economic organisation. The period between the end of the eighteenth century and about the middle of the nineteenth century was marked by the struggle against the workers' unions of the individualist and free-trade manufacturers, who were opposed to the legal recognition of the existence of the associations. The hostility shown to the Trade Unions and the necessity of strengthening their internal organisation in face of the demands of industrial progress carried these occupational associations to a degree of equilibrium and responsibility never reached before.

The relations between the Trade Unions and the Government of Great Britain were always confined within the limits of constitutional reform. The Trade Unions are to-day probably inadequate for the requirements of the modern workers' movement owing to the scanty possibilities they can offer to unskilled workers in difficult economic conditions. The spirit of rigid constitutionalism, which was the reason of their strength in the past, is to-day an obstacle in view of the change in the aspirations of the working classes in the development of social phenomena.

II. HISTORICAL SKETCH OF THE SYNDICAL MOVEMENT IN ITALY

§ 1. The syndical movement in Italy is much simpler and more recent than in the countries mentioned.

The General Confederation of Labour.

Large-scale industry rose in the second half of the last century and was localised in a few districts of northern Italy. The Liberal Governments, after a period of energetic opposition to the efforts of the workers to organise themselves, those efforts having for the most part a socialistic and a revolutionary tendency, ceased to interest themselves in any recognition of occupational associations, without even limiting them to the private form already noted in regard to France.

Besides, the constitutional regulation of the associations formed would have been supremely difficult, since the great majority of the organised workers' unions were socialistic or revolutionary in character and were based on social principles different from those of the Liberalism then dominant.

The various associations which between 1870 and 1906 preceded the General Confederation of Labour (*Confederazione Generale del Lavoro*) were inspired by socialistic theories. These were the First International of 1880, the Workers' Party (*Partito operaio*) from 1882 to 1890 and the first Chambers of Labour (*Camere del Lavoro*) or leagues of resistance. The last-named institutions combined in 1902 to form a General Secretariat of Resistance (*Segretariato generale della resistenza*), which was transformed in 1906 into the General Confederation of Labour.

The latter body was distinguished by the form of struggle adopted and by its political tendency, from Syndicalism properly so called, which may be understood to be a movement of society grouped in occupational classes of workers and aiming at establishing a new social organisation.[1] The Confederation, indeed, participated too

[1] Mermeix, *Le Syndicalisme contre le Socialisme*, pp. 307–8. Paris, 1907.

closely in the political life of the Italian Socialist Party, with which it was officially associated in 1917, having, moreover, carried out its policy for some years previously.

The syndical activity of the Confederation was influenced by the tendencies dominating socialist policy. This was characterised in Italy by a hesitation between intransigent proposals and attempts at compromise with the classes in power.

The Confederation supported the demands of the workers in their struggles against the employers in a somewhat vacillating manner, dispersing their efforts in numerous strikes frequently crowned by a success which was illusory, because every increase of wages obtained was followed by an immediate increase in the prices of articles of primary necessity, an increase which inevitably affected the budgets of the working classes.[1] The occupation of the factories in 1920 was a characteristic episode of syndical activity badly directed and badly co-ordinated, both from the political and from the technical point of view. In fact, the persons who formed the factory councils or acted as managers showed themselves quite unprepared for the tasks entrusted to them in consequence of the adoption of the new system of management. After a few weeks of experiment the workers had to abandon their undertaking, leaving only resolutions and draft laws as tangible evidence of the point to which their achievements had arrived.

The existence of a political party which was numerous and had been organised for some time, undoubtedly encouraged the working classes to become members of the General Confederation of Labour. On the other hand, the political attitude, which the Confederation was of necessity obliged to adopt, compromised the practical steps taken by the trade syndicates with a view to obtaining improvements in favour of the workers.

Syndical phenomena, inasmuch as they are phenomena mainly of an economic nature, are better handled on a technical than on a preconceived political ground.

[1] Viana, *Sindacalismo*, p. 8. Bari, 1923.

The membership attained by the General Confederation of Labour shows the remarkable development of this organisation:—

	Members.
1919	1,159,062
1920	2,200,000
1921	1,128,000

From this date the number of members began to decline and continued to do so until 1926:—

	Members.
1922	400,000
1923	212,000
1924	201,000
1925	200,000 [1]

The Italian Confederation of Workers.

§ 2. Another syndical movement which became more widespread and secured a larger membership owing to the existence of an organised political party, but undoubtedly to the detriment of the economic achievements of its own members, was the Catholic syndical movement.

The Catholic Church could not stand aloof from the work which was everywhere being more and more actively carried on by the various occupational associations. These associations were daily increasing in importance, were having a notable influence on the policy of the various States and not seldom obtained possession of power. The associations with socialistic tendencies were based on principles contrary to the doctrines of the Church and were amongst the most aggressive. It was, therefore, indispensable to create a form of association which, drawing its inspiration from Catholic doctrines, should follow the demands of the masses in the economic field, where the revolutionary parties, taking advantage of the changed industrial and social conditions, had succeeded in making headway. In fact, the second half of the last century saw the rise

[1] Figures taken from the *Bollettino del Lavoro e della Previdenza Sociale* (1919–26) and quoted by *Sacerdoti* in the volume *L'Associazione Sindacale nel Diritto Italiano.* Rome, 1928.

of various types of Christian Associations, such as the Catholic Union (*Unione Cattolica*), the Congress Institution (*Opera dei Congressi*), the Popular Union (*Unione Popolare*), the Economic and Social Union (*Unione Economico Sociale*), institutions which all derived their sanction from the well-known Encyclical *Rerum Novarum* of Pope Leo XIII issued in 1891. This Encyclical, which contains the fundamental principles of the so-called Catholic syndicalism, is, rather than an original economic proposal, far more a document of political wisdom in which the Church takes its place in history by adopting or following and covering with the mantle of its own doctrines the victorious assertion of certain political, economic and social principles. The Encyclical *Rerum Novarum* maintains the right of property and consequently rejects Socialism, but prescribes for the various social classes reciprocal duties with the object of effectively and permanently harmonising their relations. In this work of conciliation the State must intervene by reconciling private interests with the necessities of the common good, which are determined from a technical and immediate point of view with the aid of economics, but, from the ultimate and continually immanent point of view, through the moral law. This moral law is, according to the Encyclical *Rerum Novarum* and according to the explanations added by another Encyclical, *Quadragesimo Anno*, recently issued, the Catholic moral law, as it is written in the Gospels and has been gradually interpreted, as historical contingencies arise, by the Church of Rome.

The Christian syndical movement in Italy was centred in the Italian Confederation of Workers (*Confederazione Italiana dei Lavoratori*) to which were affiliated the National Syndicates or Federations and afterwards the local Unions of Labour (*Unioni del Lavoro*), called also White Chambers of Labour (*Camere del Lavoro bianche*). This syndicalism is differentiated from the analogous revolutionary types by the absence of the principle of uncompromising struggle and by the recognition and

utilisation of moral factors derived from Christianity. It has, moreover, a predominantly technical and economic tone and advocates the effective sharing by the workers in the profits, in the management and in the property of undertakings. Following this principle, it has tended also to promote Parliamentary Reform, with the object of having in the Senate a technical organ elected by the occupational associations. Catholic syndicalism further aimed at attaining internationalism which from the field of labour should extend to the political field through disarmament, international arbitration, etc. The sharing system desired by the White Syndicates, especially in agriculture, met with considerable difficulties in its application owing to the opposition of the owners. But the greatest difficulties were those which arose for the syndical organisation from the political tone that had been imparted to it by the existence of an aggressive party, the Italian Popular Party. This party, which was formed at the beginning of 1919, had aims which went far beyond the interests of the syndical organisations connected with it. As a result, that movement which was originally intended to organise the working masses according to certain Christian principles became a political weapon for the acquisition of power, used sometimes in competition and sometimes in ambiguous agreements with that Socialist Party of which the Popular Party declared itself to be the principal opponent.

The membership of the Italian Confederation of Workers from 1919 to 1925 (inclusive) was as follows:

	Members.
1919	200,000
1920	1,250,000
1921	992,000
1922	597,000
1923	445,000
1924	414,000
1925	180,000

§ 3. An association, deliberately kept apart from any political party and to a great extent faithful to the prin-

ciples of syndicalism properly so called and as propounded by Sorel, was the Italian Syndical Union (*Unione Sindacale Italiana*), which was anarchical and emancipationist in character and proposed to organise the working class in syndicates in order to carry them to complete emancipation. The new society was to have been organised, by means of an uncompromising revolutionary class struggle, on an anti-capitalist basis, with the land, the factories and the means of transport as inalienable common property, collectively administered by the working class itself through the medium of its syndical organisations. The Italian Syndical Union aimed at direct action by the formation of local syndicates of manufacture or industry. The policy of this Union was fundamentally different from that of the General Confederation, since the Italian Syndical Union aimed exclusively and directly at syndical organisation and rejected those forms of collaboration which, on the other hand, were frequently used by the General Confederation, though only to attain indirectly the socialistic aims by which it was inspired. The Italian Syndical Union, pursuing its programme of direct anti-State, anti-democratic and emancipationist action, was coherent in its principles, since it separated its own policy not only from that of the General Confederation of Labour, but also from the Leninist State dictatorship, adopting as its motto "The Syndicate suffices for Itself." The Italian Syndical Union, which was in existence before the war, was very active in the post-war period until the beginnings of Fascist Syndicalism.

The Italian Syndical Union.

§ 4. Syndicalism properly so called is found in Sorel, inasmuch as he repudiates any concessions to political parties as such and aims at overthrowing the bourgeois State by the organisation of the social classes in trade syndicates and by a violent system of struggle. Syndicalism proved itself to be the movement best adapted to the requirements of the present historical moment for various reasons, among which the chief lay in

Syndicalism of Sorel and pre-Fascist Syndical Organisation.

its endeavour to carry the organisation of the workers on to economic rather than on to political ground. The nucleus of the workers' movement was to be formed by the trade syndicate and not by the political party. Through the various trade syndicates a productive organisation would have been created which gradually would have given life to a new type of legal and moral system, the so-called producers' civilisation. Syndicalism therefore comes to be differentiated from Marxism, not only by its greater violence in upholding certain theories and for its uncompromising attitude towards democracy, but also by the fundamental difference of the ideals upheld. Marxism, which is based on the materialistic conception of history, sees in the unfolding of events the inevitableness of change, while syndicalism reasserts human will and human action as the principle and means of every social happening.

The Italian Union of Labour.

(*a*) It was in part the theories of Sorel that inspired certain Italian workers' organisations which, if they did not at first attain the large membership previously attained by the Socialist and by the Catholic associations, nevertheless formed the fundamental elements of Fascist Syndicalism. First in order of time was the Italian Union of Labour (*Unione Italiana del Lavoro*) which succeeded in 1918 the Italian Syndical Committee (*Comitato Sindacale Italiano*) already in existence before the outbreak of the war. This organisation, which was republican in character, was the first to uphold, side by side with the conception of syndicalism and of the international solidarity of the working class, the conception of the Nation. The syndicalists of the Italian Union conceived that the social revolution must take place within the Nation and not against the Nation. The name of Filippo Corridoni, considered the leading Italian syndicalist, gives to this organisation, of which he was the founder, an outstanding importance far greater than that which it derives from the slender number of 137,000 workers who were its members in 1918. The Italian Union of Labour did not assume

in regard to the fact of the war the hostile attitude taken up by the opposition parties. Many of the members joined up as volunteers, and the survivors, who at the termination of hostilities re-entered the organisation, infused into it a spirit of dignified Italianism, harmonising with the social and revolutionary value of the war and of the victory.

National Committee of Dannunzian Syndical Action.

(*b*) Another movement that deserves to be mentioned was that which was inspired by the principles contained in the Charter of the Italian Regency of Carnaro. This movement took the name of the National Committee of Dannunzian Syndical Action (*Comitato Nazionale di Azione Sindacale Dannunziana*) and looked to Gabriele D'Annunzio as its spiritual head. The name of the poet carried considerable authority in the field of labour as well as in the organisation of the city of Fiume, during the occupation of the legionaries, and in the period that followed, about 1920–21, when the conflicts between employers and workers were particularly bitter. Dannunzian syndicalism starts from the principle that labour is obligatory, whence every individual is obliged to enrol himself in a trade corporation, and only in this way can he enjoy political rights.

The economic and political structure of the Nation based on the rights of the individual is completely changed. The class, the occupational group, acts directly and works by means of representatives chosen from it. Every occupational association becomes a corporate body recognised by the State and within the limits of the State enjoys its rights.

The National Labour Office.

(*c*) Last in point of time and of importance amongst the precursors of Fascist syndicalism was the National Labour Office (*Ufficio Nazionale del Lavoro*). This was the name adopted by an organisation, nationalist in character, which was created in 1908 but never achieved, in practice, appreciable results. In fact, the political character and the tendencies of the Nationalist Party were too little

in harmony with the necessities of a systematic organisation of the working class. In any case it is noteworthy that even in its earliest programmes the National Labour Office advocated a national alliance of the producing classes and a direct understanding in practice between employers and workers.

The unavoidable economic difficulties of the post-war period were accompanied in Italy as elsewhere by an increase in the revolutionary spirit amongst the working classes. The objective of the struggle was not limited to the economic field, but attacked the social order. The red revolutionary tendency disowned the war and refused to recognise the efforts, the heroism and the victorious sacrifices of the Italian people from 1914 to 1918. The *Fasci di Combattimento*, which had been formed in 1919 to combat Bolshevism and to restore to the Italian people the consciousness of the victory so hardly won on the field of battle, were by the likeness of their programme favourable from the beginning to the syndical activity of the Italian Labour Union. In fact, in the spring of 1919, the *Popolo d'Italia*, the newspaper founded by Benito Mussolini which proclaimed itself as the organ of the service-men and of the producers, showed itself favourable to the strikes initiated by the Italian Union of Labour to obtain higher wages for the workers and the adoption of the eight hours' working day. It is worth noting that one of these strikes proclaimed from 15 to 17 March 1919 in an engineering works at Dalmine, consisted in an agitation on the part of the workers without any stoppage of work. This is an incident which shows a new tendency of Italian workers, recognising at the same time their own class interests and the interests of national production. This attitude became characteristic of the Fascist syndical movement. Several general strikes proclaimed for reasons of political solidarity with foreign workers' syndicates were opposed by the new Italian syndical movement. In 1920 two events occurred which had an important influence on the

development and on the programme of Fascist syndicalism: the occupation of the factories and their subsequent abandonment, and the proclamation of the Italian Regency of Carnaro. Though the occupation of the factories quickly came to an end owing to the unpreparedness of the workers and to the vacillating attitude of the Government, it was, nevertheless, an episode which served to open the eyes of the employers and to render them more active in the defence of their own interests. The occupation of the factories revealed, moreover, that the workers' socialistic organisations were wanting in leaders capable of fulfilling the revolutionary task they had set themselves and the prematureness and impossibility of carrying out a revolutionary movement on such a basis. The action of Fiume, on the other hand, indicated an ideal corporative and anti-individualist policy to Italians and, in particular, to those ex-service men who were afterwards the organisers of the *Fasci di Combattimento* and of the Fascist Syndicates. In 1920 and in 1921, while the other organisations were losing ground, the Fascist organisations were acquiring greater influence, particularly in the most progressive industrial and agricultural regions of northern Italy. New Fascist syndicates arose, and amongst the most important were those of the small landowners and share tenants in the Padana Valley, which formed one of the strongest centres of resistance to the red organisations, in that region particularly aggressive.

§ 5. The Fascist Party placed the syndical problem in the forefront of its programme. At the beginning of 1922, at the Syndical Congress of Bologna, the National Confederation of Syndical Corporations (*Confederazione Nazionale delle Corporazioni Sindacali*) was established in opposition to the various Confederations of Labour, previously existing and fighting under the banner of various political parties. The National Confederation of Syndical Corporations was intended to be the central organisation of the five following Corporations:—

National Confederation of Syndical Corporations.

National Corporation of Industrial Labour (*Corporazione Nazionale del Lavoro Industriale*);
National Corporation of Agricultural Labour (*Corporazione Nazionale del Lavoro Agricolo*);
National Corporation of Commerce (*Corporazione Nazionale del Commercio*);
National Corporation of the Middle and Intellectual Classes (*Corporazione Nazionale delle Classi Medie ed Intellettuali*);
Seamen's Corporation (*Corporazione della Gente di Mare*).

After the March on Rome in 1922 and the ascent of Fascism to power, the Syndical Associations dependent on it rapidly developed throughout the Kingdom. In the régime of political exclusiveness which Fascism in arriving at power had uncompromisingly created, the Fascist Syndical Associations were able to strengthen their organisation. The political tendencies of opposing parties no longer hindered their technical improvement. The problems to be faced were those resulting from the actual circumstances of the Italian economic situation. By the systematisation of the Syndical Associations Fascism aims at carrying out the economic part of its programme.

III. SPECIAL CHARACTERISTICS OF FASCIST SYNDICALISM

Organisation of all the Productive Categories.

§ 1. Fascist Syndicalism has accepted some of the principles of syndicalism properly so called. Thus it adopted the principle of syndical organisation through trade syndicates, applying it, however, to all productive categories and not to the workers only. In so doing it did not start from the socialistic principle of the struggle between capital and labour, as if the whole political world was divided into two great categories only, but recognised that other economic classes of the population have by now become distinct and independent groups.

The employers, the employees, the professional men, the small shopkeepers all felt the need of organising themselves in order to avoid being supplanted and overwhelmed as isolated individuals by the modern social machine. The so-called class struggle, conceived as the unavoidable conflict between the proletariat and the capitalists, is probably only an episode in the phases of that process of settling down whereby the society of to-day is tending towards equilibrium. It is not so certain that there will be a struggle between the proletariat and the capitalist and the bourgeois as that there will be an agitation amongst the various categories for the most advantageous distribution of the aggregate quantity of welfare produced. The incompatibility of the old individualism with the collectively and socially utilitarian necessities of our time is evident, and every system of political organisation which aims at being adequate for the times can hardly fail to take account of this consideration.

Organisation on National Lines.

§ 2. Fascist Syndicalism proposes to regulate the political and economic life of the State through the medium of occupational associations, strictly limiting their sphere of influence to the national field. The socialistic tendency to organise the proletariats of different countries in opposition to other classes, is not admitted by Fascist Syndicalism, it being held that the revolution must take place, not internationally for the displacement and in the interests of a single class, the proletariat, but to effect a different adjustment of the various occupational categories amongst the organs responsible for the policy of a country.

International agreements are therefore regarded in the Fascist conception as the exercise of a function that must be left entirely to the State. The State judges of the collective needs of its citizens, studies and regulates the possibilities of understandings with foreign countries, but does not permit that the interests of the country should be subordinated to those of a class, or that it should

in any way lose direct control over them. Fascist Syndicalism, in conformity with the tradition of Italian thought, bases itself on realistic ground. Rather than admit *a priori* a universal brotherhood unknown in practice, it understands that a serious conception of international peace can only be obtained between completely sovereign States in which the various classes, in place of seeking aid from foreigners, endeavour by organising themselves in the national field to increase their own returns, their own productivity and their own mutual understanding.

The Régime of Property.

§ 3. Fascist Syndicalism, in regard to the problem of economic freedom of enterprise and to individual property, has taken up an attitude contrary to that taken up by Socialism. The denial of individual freedom of economic enterprise, like the attribution of property to the State, is opposed by Fascist Syndicalism. It aims at putting all individuals, *qua* producers, in the position of choosing freely their own economic policy, and starts from the principle that everyone's property shall enjoy ample guarantees. On the other hand, the right of property has limitations in the Fascist Régime, when it conflicts with the interests of the national community, recognised and impersonated by the State. Economic freedom of enterprise also is subordinated to restrictions of various kinds, whenever it interferes with the public interest. This freedom of initiative is safeguarded and directed in the present Italian legislation with quite special care, being regarded as "the most effective and valuable instrument in the interests of the Nation." [1]

The Labour Charter, asserting the principle of considering private initiative as fundamental, attributes to the private organisation of production the importance of a "function of national concern" and declares the organiser of an enterprise "responsible to the State for the direction given to production." From these quite deliberate assertions it seems already clear that the

[1] Labour Charter, Declaration VII.

interests of the community have a fundamental importance in the policy of the State. The State does not assume the place of the organiser of an enterprise, nor take from him the control nor the possibility of directing his own undertaking in the manner he deems best, but proposes to place the individual in the best conditions for organising that part of production which depends on himself. It is precisely in exchange for the guarantee which it gives that the State demands a productive use of that right. If private initiative languishes, or is exercised in such a way as not adequately to benefit the community, or even to damage it, then the State intervenes and takes the place of the individual. This attitude discloses a collectivist or rather a corporative tendency on the part of the State,[1] in so far as the active supervision of the economic life of the country is entrusted to its control. The intervention of the State may be exercised, under the present régime, without any request from the interested parties, contrary to what happens in the Liberal régimes, in which the Government is requested to intervene only in extreme cases, that is, when some groups of interests are imperilled, often irremediably.

The intervention of the State may sometimes be harmful in the sense of helping to perpetuate situations which, if left to private initiative, would have been resolved more rapidly and more decisively, and this is one of the strongest objections that can be raised to the possibility of intervention on the part of the State.

But it may be objected that, while the independent and violent solution of economic situations can be upheld and is useful in powerful economic organisms supplied with vast resources and local reserves, it is harmful where the national economy is dependent and is subject to internal and foreign political and financial fluctuations.

[1] The words "corporations" and "corporativeness" were used by a happy coincidence by John Dewey to express the implications of the movement of direct association which prevails in modern economic and social life.

IV. LEGALLY RECOGNISED ASSOCIATIONS AND *DE FACTO* ASSOCIATIONS

Three Fundamental Requisites for Recognition.

§ 1. Fascist legislation recognises certain Occupational Associations as associations officially representing a category of workers. Side by side with these typical associations it does not refuse to admit the co-existence of *de facto* associations.

The associations officially representing a category of producers are those which satisfy certain conditions regarding the number of members and the political and moral qualities of the officers and members and consequently enjoy legal recognition. By *producers* are intended, here and in what follows, employers, workers, professional men and craftsmen, in whatever manner specialised and in an absolutely general sense.

Occupational associations to be recognised must comply with the following conditions:—

1. That the employers (when employers' associations are in question) who voluntarily become members employ at least 10 per cent of the workers belonging to undertakings of the kind for which the association has been formed within the area of operations of the association. That the workers (when workers' associations are in question) who voluntarily become members represent at least 10 per cent of the workers of the category for which the association has been formed within the area of operations of the association. Evidently in order that legal recognition should be granted to these associations, the legislature wished to ensure that every association should include within its ranks a minimum initial number of members sufficient to justify the privilege of recognition;

2. That the objects which the associations set before themselves are to protect the economic and moral interests of their members, as well as to give assistance, instruction and moral and national education to the members themselves. The occupational associations,

therefore, according to the Italian syndical law, must not limit themselves to the pursuit of those objects common to every type of syndicate, but must also exercise a social action in the widest sense, directed, that is, to the qualitative improvement of their members;

3. That the officers of the association give a guarantee of capacity, morality and of sound national faith, of loyalty, that is, to the political principles of Fascism.

The syndical officer, in the corporative organisation, must obviously have very different qualities from those of the syndical organiser in syndicalism based on the opposition of classes. According to the intentions of the Italian legislature, the syndical officer must be the administrator of the interests of an occupational class. Together with a rigid sense of moral honesty, he must possess a practical and specific competence in the problems entrusted to him. It is reserved to the State to determine whether these requirements are satisfied, as the State must approve the nomination and election of every officer. The qualities required for an organiser of syndicates based on the opposition of classes are quite different from those above described, the syndical principle from which revolutionary syndicalism—that is, the class struggle—starts being different. The attitude of hostility towards the class in power which every revolutionary syndical organiser takes up, requires that the officer of the syndicate should be a mob-leader and a factious element, rather than a technical administrator of the interests of an occupational category.

These three requisites are necessary conditions for the granting by the State of legal recognition to occupational associations, but they are not sufficient. Besides being conditional on the association's absolute compliance with the requirements laid down by the law, recognition may be withheld at the discretion of the State. For political and economic reasons the State reserves to itself the right to grant or withhold recognition to occupational associations.

Public Status of Recognised Occupational Associations.

§ 2. The State delegates to every occupational association, which it recognises, functions of public, educational and occupational interest. They, therefore, serve to complete the work of the State by assisting every individual who works as a producer within the country. It is, accordingly, logical that, as through legal recognition the occupational association enjoys all the advantages which will be indicated shortly, it must conform to the political principles of the State of which it forms a part. Legal recognition can be granted also to associations of professional men or craftsmen carrying on their work independently. The conception of workers is, therefore, extended to include also that special category of producers which represents the prototype of an individual activity that Fascism seeks, not without originality, to organise.

The associations to which legal recognition has been granted become Public Bodies, not only in the field of common law, but also in that of public law. In fact, these associations legally represent all the employers, workers, craftsmen and professional men of the category for which they were formed within the limits of the area in which they operate. Their representation is general and exclusive, that is, the individuals carrying on within the area the occupation of the class to which they belong are represented by the association, whether they are or are not members of the association itself. The fact that the occupational associations are considered as Public Bodies results in extending their advantages to the whole of the persons represented. The difference of treatment between those who are regularly inscribed as members and those who are not so inscribed consists in the fact that the latter are excluded from taking part in the election or in any other form of nomination of the social organs and from the various activities promoted by the association and, in like manner, from participation in any benevolent or educational activities specially promoted by the association.

§ 3. The legally recognised associations enjoy important privileges which assure to them a fundamental influence in the economic and political life of the country and, at the same time, financial independence.

Powers of Legally Recognised Associations.

(*a*) The legally recognised occupational associations have a control over the economic life of the country, inasmuch as they regulate by means of collective labour contracts and other agreements between workers of different associations and between workers and employers, the demand and supply of labour, the remuneration of every category of workers and employers, and the standards according to which production is carried on. These associations have, lastly, a right of direct intervention in labour and in all productive activity associated with labour from a collective point of view. The collective trade agreements which, as will be seen presently, constitute the disciplinary factor in the corporative economy, are stipulated only by the legally recognised associations and are binding on all those who are represented by the syndical association, whether members or not. The associations of higher degree give in advance to the dependent associations the authorisation to stipulate the collective labour contracts which are within their competence. Besides having the power the syndical associations have also the duty to make collective agreements. This obligation is mentioned in Declaration XI of the Labour Charter, which says: "Occupational Associations are required to regulate by means of collective contracts the labour relations existing between the various categories of employers of labour and of workers represented by them."

Stipulation of Collective Labour Contracts.

The Labour Charter indicates the general lines of policy which the relations between employers and labourers in Italy must follow. The stipulation of collective contracts as an obligation of the occupational associations is not, accordingly, derived from any precise rule of law, but is an indication of a tendency which,

according to the policy of the Régime, must unquestionably be made general. Closely connected with the right and the duty incumbent on the occupational associations to stipulate collective contracts is the principle of syndical responsibility. It will be seen hereafter that the law punishes anyone who violates the collective labour contracts. But beyond the damage resulting from the non-fulfilment of the rules of the agreement by an individual contracting party, there exists a range of infractions which affect social relations in consequence of the importance of collective labour contracts in the new corporative law. This is the field to which syndical responsibility applies. When the agreement lays down that the syndical association is the guarantor of the agreement, the syndical association itself is answerable for the damage resulting from non-fulfilment even on the part of individuals. If, however, there is no such explicit guarantee, the association is answerable for the damage resulting from non-fulfilment only so far as obligations which it assumed itself are concerned. In addition, it has been noted that the occupational association must set aside, according to recent rules, 3 per cent of the sums derived from syndical contributions as a guarantee for the fulfilment of obligations. For the non-fulfilment by individuals belonging to the category the occupational association is only answerable in so far as it has omitted to do all that was in its power to obtain the observance of the agreement.

Appointment of Representatives of the various Productive Categories.

(*b*) Only the legally recognised associations have the right to nominate the representatives of the employers or of the workers, as the case may be, on the organs or councils on which such representation is contemplated by the laws and by their respective regulations. The importance of this right is politically considerable, since, apart from the various institutions and bodies which require equal representation of employers and workers, the Corporative Parliament is in great part formed by representatives of the various occupational

associations, organised as will be described later. They nominate the candidates, who must be approved by the Fascist Grand Council, while the definite confirmation is given by the votes of the electoral body. The occupational associations become, therefore, in the new political organisation, the basis of the Italian Parliamentary system. The new Parliament, through the occupational associations, tends to become an organ in which technical competence is associated with the political problem, so that it is to be expected that a legislative body formed with such a standard will, rather than devote itself to purely political questions, deal with problems of interest to the country, taking as basic the facts and the concrete interests of the occupational categories.

Levy of Contributions on the Persons Represented.

(*c*) The legally recognised associations have the right to levy an annual contribution on all the persons represented by them, whether members or not. In view of the public character assumed by the recognised occupational associations and of the vast work that they carry out in the economic field, it has been thought desirable to make obligatory the levy of the contribution on all individuals carrying on any occupation or trade whatever. Without distinction all individuals interested in any branch of production in Italy derive benefit from the occupational associations. The associations lay down general principles regulating labour and occupational activities, fix minimum wages at rates less than which no worker may be paid, and establish a discipline which stabilises working conditions, enabling the employer to find systematised one of the questions which in the past was most controversial, viz., that of labour. The syndical contributions serve to pay the expenses of maintenance of the associations themselves and they can also be allocated to a variety of other objects, as is explicitly laid down by the Law of 1926. The associations have independent headquarters with a paid staff attached to the secretariat, to the information office and to the economic research office. They carry out wide programmes

of work of social assistance and education in conformity with the lines of policy the adoption of which is a condition of their recognition. Accordingly they contribute towards the maintenance of technical schools, to the *O.N.B.* (Young People's National Institute),[1] to the *O.N.D.* (Workers' Leisure Time National Institute),[2] to special unemployment funds, etc. A part of the funds is, in accordance with the rules of the occupational associations themselves, set aside as a guarantee against cases of non-fulfilment of collective agreements stipulated by the associations. Another part of the contributions is paid by the associations to the Ministry of Corporations in part repayment to the Ministry of the sums spent in consequence of the new syndical organisation.

Provincial Unions, Federations, Confederations, Sections and Syndicates.

§ 4. The legally recognised syndical associations are composed exclusively of employers or exclusively of workers. There is no legal recognition of mixed associations. Consequently the representation of employers and of workers is always distinct. The employers' and the workers' associations may be brought together through central liaison organs having officers in common. To these organs, which take the name of Corporations and link the various productive activities of the country as members of one body, reference will be made later.

The legally recognised associations are called unitary territorial associations when they group the employers or the workers of a given occupational category in a certain territorial area.

Thus the provincial or interprovincial Union (or Federation), which embraces and represents locally all the

[1] The *Opera Nazionale Balilla* is a national institution which provides for the physical and civic education of children between 6 and 14 years old. It is supported not only by the Confederations, but also by the Fascist Party and by the direct contributions of members.

[2] The *Opera Nazionale Dopolavoro* is a semi-official body created in 1925 to promote the establishment, co-ordination and encouragement of institutions calculated to uplift physically, intellectually and morally both intellectual and manual workers in their leisure hours.

categories of employers or of workers within the territory of a province or of several adjoining provinces, is considered to be a unitary territorial association. The employers or workers are divided into sections within the unions according to the category of activity carried on. These sections, which, in the case of the workers, are usually known as syndicates properly so called, are not legally recognised, but are organs of the association for purposes of internal working.

All the sections formed for each category throughout the Kingdom are combined into national category-Federations. It is not, therefore, as a rule, individual firms that are members of the national category-Federations, but rather sections (or syndicates) of provincial unions. However, when the number of firms in a certain category belonging to a Union is so small as not to allow the formation of a special section, or when the nature of the organisation does not allow of the formation of territorial associations (as is the case with the Banks), the firms themselves become members of the national category-Federation.

The highest legally recognised associations in the syndical hierarchy, which bind together the various territorial associations and category-associations amongst persons engaged in a certain branch of activity, take the name of Confederations. The functions of every Confederation, whether of employers, of workers or of professional men, are wide and have reference to the political as well as to the syndical aspect of the organisations of their respective categories. Thus the Confederation carries on propaganda for the fundamental principles of Fascist Syndicalism, endeavours to harmonise the interests of the various classes, settles disputes arising between the affiliated syndical organisations and supervises the working of the organisation and of the dependent organisms.

These principles are constantly to be met in the rules of every syndical association, but it is only in these more general associations that political tendencies, going beyond strictly administrative tendencies, find practical

application. The Confederations, which take decisions in matters affecting the whole productive category, are allowed to go beyond questions of detail and to indicate from above those lines of policy which distinguish the corporative organisation from other forms of organisation based on different political principles.

The occupational associations enjoying legal recognition may have as their sphere of influence a commune, several communes, one or more provinces or even the whole nation. The collective trade agreements stipulated by these associations have general validity for the area in which the associations which make them have jurisdiction.

Besides the territorial associations, the Federations and the Confederations can be legally recognised directly. In this case the legal recognition contemplated by the law includes implicitly the right of the separate affiliated Unions or Federations to recognition. This possibility granted by the legislature of the recognition not of a single occupational association, but of a whole group of occupational associations linked together, has been the constant policy of the corporative organisation.

In fact, the organisation of an association of higher degree has brought under the control of corporative legislation all the associations of lower degree subordinated to the association of higher degree, thus avoiding the continual repetition of the act of recognition for every association which was recognised.

The possibilities offered by corporative legislation to the legally recognised occupational associations from the financial, economic and political points of view, are such that it was neither possible nor desirable to extend the recognition to more than one association. The rights which the State accords to the occupational associations affect the constitution of the State itself and are rights of a public character. The sections which form part of an association and have as their object to look after the organisation of the members are, of course, considered as interior administrative organs of the associations on

which they depend and have no special economic or political competence, nor any direct influence on the syndical associations of higher degree.

The sections of associations of workers generally take the name of syndicates properly so called.

It should here be remarked that the syndicates, which form the primary cell of the corporative organisation, are not legally recognised, unlike the syndical associations to which they are affiliated. The decision to limit legal recognition to the provincial associations and to deny it to the syndicates and to the sections was taken recently for the purpose of concentrating the territorial syndical organisation in a limited number of associations, having a certain importance on account of the number of the members, the amount of the contributions received and the authority of the officers. Before this provision thousands of small syndicates, especially amongst the workers, were legally recognised but were, in practice, functioning imperfectly.

As a result of recent reforms it has been decided to recognise the provincial unions as unitary territorial associations even for the workers, and to consider the syndicates as internal organs not legally recognised.

The advantages of this system are obvious and may be summed up as follows:—

1. A convenient symmetry of system in the organisation of the workers amongst themselves and in relation to the corresponding organisations of the employers; greater facility in ascertaining the association to which belongs the right of representation; less complexity in the practical distribution of categories;

2. Maximum simplicity in the structure of the local organisation; co-ordination of duties and functions; elimination of legal machinery not corresponding to real needs;

3. Simplification of internal services, particularly by the elimination of the fulfilment of provisions of substance and of form (balance sheets, approvals, officers, etc.) with consequent economy in expenditure and

greater facility of relations both within the local area and between the outlying districts and the centre;

4. Complete renewal of the characteristics and functions of a corporate body.

De facto Associations.

§ 5. According to corporative legislation, occupational associations of employers, workers, craftsmen and professional men may exist *de facto* without the grant of legal recognition by the State. Such existence is permitted to associations which are formed for purposes of economic and social assistance or for perfecting the members in the exercise of their various occupations. The State entrusts to the legally recognised associations the protection of those occupational interests which may be considered to be of public importance. Occupational associations are, therefore, allowed which have study or education as their objects or the legal and hygienic protection of their members, and so on. Nor is the possibility excluded that *de facto* associations should pursue the same objects as the recognised associations; the law does not insist upon the existence of only one occupational association, but confers upon it legally recognised public status and legal representation. From the practical point of view the possibility that there should be *de facto* associations, pursuing the same aims as the recognised associations, is extremely limited, since in face of a State like the Corporative State, which seeks to concentrate and to unify, and of the fact that the protection of occupational interests has been entrusted to the recognised association, there are very few persons who will become members of a *de facto* association, which pursues the same aims as the recognised association without enjoying the best means of attaining them, that is, legal recognition. Nor is it admissible that the same individual should become a member of two syndical associations in the same trade and pursuing the same ends, in regard to the protection of occupational interests, as the law explicitly lays down "that the members of legally recognised associations cannot, on pain of expulsion, be members at the same

time of *de facto* associations formed for the same syndical objects." This type of syndicate, which would be a mere duplication of the legally recognised syndicate, has had no practical development in Italy.

At the time of the formation of the first Fascist syndicates there also existed in Italy Socialist and Catholic syndicates, which included amongst their members the majority of the organised workers. Between 1922 and 1926 these syndicates continually lost ground in face of the Fascist occupational associations, which were being organised side by side with them throughout the Kingdom and particularly in the more progressive agricultural and industrial districts of the north. After the approval in 1926 of the Law on Occupational Associations there was no longer logically any possibility of the co-existence of the Socialist and Catholic associations.

The obvious desire of the Legislature has been to construct a syndical organisation endowed with special powers which could offer to the masses, besides a national political programme, exclusive advantages in the protection of occupational interests.

V. RULES OF OCCUPATIONAL ASSOCIATIONS

Constitution and Objects of Occupational Associations.

§ 1. In order that an occupational association may be legally recognised it is necessary that, besides fulfilling the requirements in matters of substance already mentioned, it should comply with certain formal rules stated in the Law of 3 April and repeated in the Regulations for carrying out that Law. These rules relate to the act of constitution and to the rules of the association. As syndical associations come into existence through the expression of the wish of those who intend to form them, the *deed of constitution* is necessary before any other document. In this the wish of the parties to form themselves into an association is declared. In cases in which the association that seeks to obtain legal recognition is already constituted and working, the will of the members

to form themselves into an association is attested by its existence and by the documents that were compiled at the time of its formation.

The Rules of the Association deal with its future existence, and accordingly determine its internal structure, its method of working and the work to be carried out. The Rules confirm the formation of the association, indicating: (1) what is the kind of activity pursued by the members; (2) what is the area within which the association carries on its operations and where precisely are its headquarters. The Rules also include information on the relations of dependence or of union between the association and other territorial associations and specify on what associations the one in question depends and what associations, if any, it controls. From this it results that the association comes to represent legally in its area of operations all those who belong to the category for the protection of whose interests it was formed. The objects of the syndical association are always carefully set out in the Rules. They vary according as it is an association of employers, of manual workers or of intellectual workers. In every case the objects include:—

1. The utilisation of the possibilities or the occupational capacities of the members by facilitating progress in industry, trade or transport in the case of employers, or by looking after the technical preparation and the conditions of labour in the case of workers;

2. The protection of the interests of the class represented in relation to any aspect of syndical problems, such as relations with labour, fixing of new labour agreements, wage-scales, disputes between employers and workers, and conciliation in individual disputes regarding the application of the collective labour contracts;

3. The guarantee, as far as may be possible, of the stability of employment and of wages, as well as of the work to be done, following the established rules on the supply and demand for labour, rules laid down with the object of dealing with the problems of unemployment;

4. The encouragement of various forms of provident benefit, by protecting the persons represented in the administrative and legal steps to be taken regarding accident and social insurance and by promoting, if need be, the formation of institutions of mutual insurance, thrift and assistance;

5. The representation of the category in question in relation to the political and administrative authorities, both on occasions when the occupational category may be making agreements with such authorities, or in connection with the system in force for electoral representation.

These five points summarise on broad lines the objects which the occupational associations in the corporative régime set before themselves. The higher the associations are in degree and the wider the area they embrace, affecting entire productive classes, the more general the objects indicated in the rules become and the less they are concerned with the particular interests of an occupational group or of a small local association. If one considers the rules of the National Confederations, it is clear how the interests of an entire productive category enter into and harmonise with those of the whole Nation, and how the conception of general utility replaces, as a result of the enlargement of the aim, that of benefit for the individual or for the group.

Thus, for example, in the rules of the National Fascist Confederation of Farmers (*Confederazione Nazionale Fascista degli Agricoltori*) are found, not single rules laid down with the object of regulating a group of landowners in a particular district, but the lines of policy which inspire the Italian corporative régime in agreement with the general tendencies of modern thought in regard to the organisation of production. In the rules of this Confederation, Chapter I, Article 1, one reads, for example, that "the Confederation considers property, not only as the absolute dominion of persons over things, but also as a social function, and agricultural production, not only as a source of wealth, but also as a duty towards the nation." It "proposes always to

inspire its own efforts and those of the workers on conceptions of collaboration."

Admission to Membership.

§ 2. Admission to membership is subordinated to certain conditions regarding the applicant as a private individual and as a participant in the new organisation. As a private individual, the conditions are that he must be over 18 years old and of good moral and political conduct from the national point of view. As participant in the new organisation, the applicant must carry on the trade or occupation regulated by the syndical association to which he wishes to belong and must fulfil the special conditions that the law lays down for membership of every separate association. An applicant cannot be admitted to membership, (1) if he belongs to a *de facto* association formed for the same class with the same objects, or (2) if he has been expelled from other syndical associations.

Besides individuals, Companies legally formed according to the rules of the Commercial Code and other corporate bodies of Italian nationality may also become members of syndical associations, provided always that their managers and administrators have the same moral and political qualifications as are required in the case of individuals who become members. Foreigners who have resided in Italy for at least ten years may become members of occupational associations, but will not have the right to be nominated or elected to any office or charge.

The various rules lay down that the application for admission to membership shall be presented to the President's or Secretary's office and shall contain a declaration that the applicant accepts the rules and obligations resulting from the laws relative to the corporative system and in particular from the rules in force in the association of which he wishes to become a member.

When the applicant is a firm, a statement must be given, setting out the persons who represent it, the nature of the industry carried on, the locality in which the

establishments are situated, the plant they contain, the number of dependants, etc.

The approval of the application for admission to membership is decided by the Directorate of the syndical association. Should the application be rejected, appeal may be made to the President of the National Confederation and, in the last resort, to the Ministry of Corporations. Approval of the application and the subsequent enrolment binds the member for four years. The obligations on the part of the member are renewed every four years and the member cannot tender his resignation until three months before the expiry of the four-year period. The members of the syndical association are bound to observe the conditions of the collective labour contracts as stipulated by the syndical association or by the higher-ranking associations to which the said association is affiliated. They must also inform the syndical association of any disputes that may arise concerning labour relations. The members are obliged to request the intervention of the syndicate in the event of non-fulfilment by the other party.

§ 3. The syndical association is managed by three organs:—

Organs of the Occupational Associations.

(1) The *Assembly*, which is composed of all the members and: (*a*) deliberates on the more important questions regarding the work of the association itself; (*b*) approves or otherwise the financial statements and progress reports of the managers; (*c*) nominates the members of the Directorate, the Secretary and the President of the association; (*d*) fulfils other functions conferred upon it by the rules or in consequence of special resolutions;

(2) The *Directorate*, which is composed of the President, the Secretary and a variable number of members, according to the terms of the rules of each association. While the Assembly meets at least once a year the Directorate must meet at least six times a year, except when it is considered desirable to convene it more frequently for questions of special importance. The

Directorate is the executive committee which gives effect to the resolutions of the Assembly and sees that the programme contained in the rules is duly carried out.

(3) The responsible representative in relation to the political and administrative activities of the area of operations, to the associations and to third parties is the Secretary or President, who remains in office for two years and may be confirmed for a further period. A syndical association has not always both President and Secretary. The composition of the occupational associations in Italy has been gradually regulated, modifications being introduced from time to time. While the employers' associations have usually elected a President from amongst their members in the workers' syndical associations, it is the Secretary who holds the highest office and directs all the associative activity of the members.

Election of the Syndical Officers.

§ 4. The principle which inspires the choice of the directing bodies in the Italian syndical associations is that of election. Various ministerial regulations and the practice of recent times show the tendency of the Government to entrust the nomination of the responsible representatives of the syndical association to the choice of the members, provided always that they possess those requisites of morality and national faith to which repeated reference has been made. Up to the present, it is true, the syndical associations have not had a precise policy in this matter. The innovations introduced by the law are very far-reaching and it is difficult, having regard to the complexity of their new tasks, suitably to readapt associations which a little while ago did not exist or were organised in a syndical spirit different from the present spirit. There is no doubt, on the other hand, that the election of those who direct the occupational associations in Italy must be scrupulously maintained, if it is desired to give to the members of syndical associations faith in the association to which they belong. Adhesion to an Italian syndical association involves, as has been seen,

the principle that it is a voluntary act on the part of the member. But the tasks which are entrusted to such association are so comprehensive that they largely include rights and powers entrusted under previous régimes to purely political bodies. It is mainly through the syndical association that the Italian people exercises its political rights. It is necessary, accordingly, that the fullest electoral guarantees should be granted in the choice of the persons who manage the association, in order to attain the desired end, that is, that the persons in charge, being aware of the nature of the tasks imposed upon them and freely chosen by the assembly, shall apply the instructions imparted to them and shall not, in exercising their functions, act as individuals completely independent of the association to which they belong. Logically the individuals chosen to preside over or to administer occupational associations will represent a new type of politician, who is really a political expert.

This type of administrator is characteristic of the present moment all the world over and is probably nothing else than a consequence of the decline of Parliamentarianism.

Assets of the Syndical Associations.

§ 5. The rules lay down[1] precisely what are the assets which form the owned capital. The list of these assets is compiled when the syndical association starts working, and includes movable property, buildings and fixtures, sums set aside during the financial year until the moment of their allocation, and the guarantee fund which, as already seen, must be formed by every syndical association. The receipts comprise the compulsory supplementary contributions, the special contributions due to the association, the interest on the share capital, and lastly, the sums which the association receives as payment for services rendered to the members, such as donations, etc.

The expenditure of the syndical association is divided into compulsory and voluntary expenditure. Compulsory expenses are those which concern the existence

[1] Article 18 of the Regulations of 1 July 1926.

of the occupational association, that is, the general expenses for the upkeep and utilisation of the premises, for the staff, etc., as well as the expenses of syndical organisation for the employment bureaux, for the bureaux of economic, social and moral and religious assistance, for the national education and technical instruction of the members. The contributions to the *O.N.D.*,[1] to the Maternity and Child Welfare National Institute (*Opera Nazionale per la Protezione della Maternità e dell' Infanzia*), the *O.N.B.*[2] and to the National Workers' Aid Society (*Patronato Nazionale*), and the contributions for the formation of the guarantee fund are also considered as compulsory expenses.

Disciplinary Supervision.

§ 6. The working of the syndical association and its disciplinary unity are guaranteed by a dual system of supervision exercised over every syndical association by the associations of higher degree and by the association of lower degree over its members. Thus any member, who fails to fulfil the conditions of the collective labour contracts or to comply with the rules which regulate the life of the syndical association, is liable to censure on the part of the association itself. This censure is a form of reprimand pronounced by the Secretary (or President) of the association in a personal letter to the member, and may relate to matters not strictly falling within the competence of the association, but concerning a member's duties as citizen and worker.

The Directorate has the right to inflict as a punishment suspension for six months. This sanction is applicable in cases of particularly serious infringements on the part of the member, especially for repeated non-observance of the conditions of the collective trade agreements or of fundamental rules affecting the life of the association. Such suspension is notified in writing to the member and a statement of the reasons is appended. The member can appeal to the President of the Confederation to which the association to which

[1] *Opera Nazionale Dopolavoro*, see p. 26.
[2] *Opera Nazionale Balilla*, see p. 26.

he belongs is affiliated. The third and last means of punishment at the disposal of an association is expulsion. This sentence is pronounced in cases of very serious insubordination, usually accompanied by obvious defect of national or moral sentiment. The sentence of expulsion is proposed by the Directorate of the syndical association to which the member belongs to the association of higher degree. Even against this sentence the member may appeal to the President of the latter association and, in the last instance, to the Ministry of Corporations.

Besides this system of supervision, inherent in the syndical hierarchy, the State reserves to itself the possibility of directly controlling the working of the associations by means of various kinds of supervision. The State has the right to refuse to approve or to cancel the appointment of the officers of the association when they are wanting in the requisites laid down for such persons or of those who, during the exercise of their functions, have showed themselves unworthy to hold the charge entrusted to them. Through the Ministry of Corporations, the State exercises supervision over all the operations of the administrative bodies of the associations working in two or more provinces and, through the Provincial Administrative Council (*Giunta Provinciale Amministrativa*),[1] it exercises supervision over all the associations operating in a province.

Such supervision relates to every act affecting the share capital and, in like manner, all expenditure to be met under the budget or the receipts of the association for a considerable length of time and, in general, every act which indicates the policy of the association itself, as for example the regulations and the scale of salaries of the staff.

The last and most radical method of control which the State can exercise over the occupational associations lies in its right to dissolve the Council of Administration and to nominate a Government Commissioner in its stead.

[1] A kind of Council formed in each province for the decision of questions relating to administration.

CHAPTER II

THE COLLECTIVE CONTRACTS

I. THE IMPORTANCE OF COLLECTIVE CONTRACTS

The Collective Contract as a means of establishing Economic Relations.

§ 1. Combinations between workers have arisen owing to the felt need of organisations to co-ordinate and regulate the workers' services and so to act as a counterpoise to one or more large employers of labour. The worker is, in fact, in an inferior position in relation to the employer on account of the high marginal utility to him of his rate of remuneration. In other words, while the employer owns or controls capital, the worker has none; the employer can wait, the worker cannot; unemployed capital is saved, but a workless day is a lost day for the worker. Hence the syndicates and trade unions came into existence in order to regulate the labour supply in a given trade by imposing rules of general utility on all their members and by making agreements with the employers known as Collective Contracts.

While the position of the worker generally appears to be much the weaker as compared with that of the employer, there are special cases in which the employer finds himself faced by workers' coalitions of a monopolistic order which are so strong that frequently he is forced to submit to them. In either sense, the collective contract ensures greater stability in the economic relations between the parties. The success of collective contracts at the present time is, indeed, due to the fact that they concern complete occupational categories and stabilise conditions of labour and production for a specified period. This form of stabilisation is as much to be desired as it is difficult to obtain in the present unsettled state of the market.

A distinguishing note of the present phase of economic life is the tendency of individuals with common interests to form associations, and at the same time, side by side with private interests, collective or rather group interests arise. Individual contracts concluded in accordance with the Civil Code govern a purely individual relationship. But outside the contract made between two individuals lies a wide sphere of interests which requires to be regulated by a new juridical organisation. This organisation is concerned, not with individuals, but with the various associations that represent them so far as they are employed in the different branches of production.

From this brief review it is clear that public settlement of collective contracts is of fundamental importance in the history of labour relations, which are no longer considered as a series of personal relations between employers and workers, but as understandings between producing categories, which exercise their influence on the national economic life, and therefore cannot stand outside State control.

Comprehensiveness and Stability as essential Conditions in Collective Contracts.

§ 2. In order to ensure the protective purpose of collective contracts, it is essential that they should be in the highest degree: (*a*) comprehensive; that is, that they should include every incidental contracting party coming within the scheme of relations to which these contracts refer; (*b*) permanent; that is to say, when once settled they should be valid for a sufficiently long period, so that the labour conditions determined by them shall be stabilised for that period.

It is indispensable that collective contracts should be comprehensive in order to secure both that the protection afforded by them should extend to every worker, no matter to what branch of production he may belong, and also that the risk may be avoided of compromising the general validity of the contract through the action of outsiders not bound by its rules, to the prejudice of the benefits which it assures. Hence, in order to ensure the

absolutely comprehensive character of collective contracts, they must be compulsory, so that no contracting party may escape the obligation.

Under the influence of the political factor of the class trouble, the characteristic of stability is generally lacking in collective contracts when these are obtained solely as the result of coalitions of workers and manufacturers. Thus the rights of the stronger side, even if converted into law, can be maintained only so long as one of the contracting parties is so strong in relation to the other as to be able to impose his will upon him.

§ 3. In order to realise the two conditions mentioned above, it is essential that collective contracts should come within the orbit of public law, essential, that is, that the State should intervene in the settlement of the contracts, giving its full authority to the rules contained in them and making them binding on all the contracting parties.

Collective Contracts and State Intervention in the Law of 3 April, 1926 and in previous Legislation.

The Italian law of 3 April 1926 organises individuals into their various trade or occupational categories, unifies the representation of the category interests and vests the syndical associations representing these interests with the status of institutions regulated by public law. Before the promulgation of this law, Italian codes contained but few articles dealing with labour relations and these few were limited to the definition of some of the conditions of labour hire. The need for public regulation of labour contracts was indicated by various special laws dealing solely with private employment contracts and not with workmen's contracts in general. As many students of legal and social science have remarked, the common weakness in all such special laws was that they took no account of the growing social importance of collective contracts or understandings, nor of the associations of employers and workers interested in arranging them. Collective contracts entered into by syndical associations are now, according to the law of 3 April 1926, legally binding on all persons belonging

to the category by them represented. The collective character proper to such contracts has changed its meaning at the present day in consequence of the law of 3 April, that is to say,[1]

"a contract is no longer collective because it presupposes, either directly or through representation, a plurality of persons contracting on the one side, but because it protects, not a certain set of separate interests but the single interest of an entire group considered as a single entity, and expresses, not a sum of contractual purposes on the part of one or both contracting parties, but the single will of each contracting party, to which the law has assigned the duty of representing the collective interest."

In Italian law the collective character of the contract applies not only to the worker, but also to the employer.

Subordination of the interests of the various Categories to the general interests of Production.

§ 4. Another special feature in collective contracts, as stipulated under the Fascist corporative régime, is the subordination of class interests, represented by the contracting syndicates, to the general interests of national production, in conformity with the rules laid down in the Labour Charter. The general interests of production are obviously benefited by the possibility of peaceful agreements afforded by collective contracts, State recognised and State regulated. But it would be risky to affirm in general that it is possible to establish *a priori* in a collective contract precisely what are the general interests of production. Not every form of trade or professional representation, as has been seen in the case of the syndical associations, succeeds in its task of acting as the faithful mouthpiece of the members of its particular category. But even apart from difficulties of this nature it is clearly not easy—although admitting the superior claims of the interests of production—to steer the ship of national economy amid the rocks constituted by the interests of the various categories. It is the State in the end, with its indisputable right of decision, that must discover in these cases the ground of accord.

[1] Paolo Greco, *Il Contratto collectivo di lavoro*, p. 77. Rome, 1928.

The subordination of category interests to the higher interests of production does not preclude the possibility of conflicts between different groups engaged in the process of production. It would be a serious error to expect the passage of the syndical law to have the effect of eliminating all conflict of interests. The aim of the law is to cause the contracting parties to achieve success in coming to an agreement when discussing the terms of the contract, having a clear knowledge of the limits within which the contract may be arranged.[1] Collective contracts and individual contracts have undoubtedly a common origin in the interest of each party to bind the other; but the intervention of the State as arbiter and law-giver differentiates the former class of contract from the latter by transforming the interest from single individuals (the case of the individual contract) to all the individuals connected with any particular industry as a whole.

The collective contract, as a result of this special characteristic, assumes an important economic function inasmuch as it determines the remuneration of certain fundamental factors of production and therefore in the end determines prices. It naturally follows that each category of workers has a strong interest in the vicissitudes of the market, and prefers to intervene directly by collaborating with the other classes rather than to become as it were frozen in a sterile antagonism. It is now generally admitted that the attitude of employers does not by any means constitute the only cause determining the conditions in a given industry. An infinity of other causes influence these conditions, and no producer, certainly not the worker, can remain indifferent to the valuation of such causes. Collective regulation may in many cases aid in bringing about an adjustment of demand and supply with more rapidity and exactitude, especially in the matter of labour. A well-organised syndicate may be presumed to be better able to estimate the supply of labour available through its members in search of work, and adapt it in space and time to the

[1] See Appendix C.

employers' demand to far greater advantage than can the members themselves, acting as separate individuals.

Individual Relations and Collective Contracts. Definition of the Collective Contract.

§ 5. The Italian law, while assigning special importance and binding force to collective contracts, does not deprive individual working arrangements of their contractual character. Individual contracts are binding both on masters and men and are freely allowed to exist by the labour law in force, provided the regulations contained therein constitute for the worker an improvement on the conditions fixed by collective contracts, or deal with points not covered by them. The individual contract has therefore taken a new direction in the sense that in Italy the workers' conditions of life must not fall below the level which the collective contracts have made a common standard.

Professor Greco, to whose work reference has already been made, defines the collective contract as a "covenant whereby two syndical associations, within the limits of the interests they represent, and in virtue of the powers assigned to them by law, establish regulations regarding labour relations compulsory on all members of the categories represented."

According to Guidi, the late Deputy, a collective labour contract is an agreement made between an association of workmen and an association of masters (or a single master) as to the conditions to which individual labour contracts, either already arranged or to be arranged by the persons belonging to the categories represented by the contracting parties, must conform.

II. THE SETTLEMENT OF COLLECTIVE CONTRACTS

Points covered by Collective Contracts.

§ 1. Syndical associations conclude collective contracts as representatives of their particular category and for the protection of its interests, but never for the defence of individuals, even when the latter are members of the syndicate. They settle collective contracts in their own name so that

their action as representatives is solely of their own competence, although the contract concerns all the members represented by the syndicate, whether inscribed or not. With regard to territorial jurisdiction, collective contracts that are to operate in an area under the control of a syndical association of lower rank must be arranged by the latter. Higher-ranking associations direct and control the subordinate associations in the arrangement of labour conventions and may take the place of the latter in cases specified by law and by statute.

The aim of collective contracts is to establish conditions regulating the relations between employers and workers. These rules must be observed by the contracting syndicates, by their members, by persons employed in the same craft, trade or occupation even when not members and, generally speaking, by all persons having the occupational status covered by the rules.

This principle, for instance, applies to foreigners working within the Kingdom in any craft, trade or occupation regulated by a collective contract. Collective contracts regulate all labour relations, with the exception of those connected with services of a private or domestic character. Labour relations already fixed by public authority are likewise excepted. This exception leaves unaltered the relations binding all workers and employees in the service of the State, as also those of persons employed in public works regulated by special contracts.

Collective contracts may be arranged only by legally recognised syndical associations of employers, workers, artists and professional men. If the syndical associations are not legally recognised, any collective contracts concluded by them are null and void. *De facto* associations and those not mentioned by the Act of 3 April 1926 are excluded from the right of concluding collective contracts. In cases where no legally recognised syndical association exists, the Labour Court must nominate a trustee by special decree, appointing him to conclude the

agreement for the category concerned. Associations of persons in the employ of the State, Province, Communes or Public Charitable Institutions are, as regards legal recognition and the arrangement of collective contracts, subject to different rules.

Responsibility of Occupational Associations in the Event of Non-fulfilment.

§ 2. The contracting associations are under the obligation to do everything in their power to ensure the observance of the terms of their collective contracts by individuals, whether members or non-members, and are responsible for any non-fulfilment only in so far as they have neglected to carry out the above-mentioned obligation. In effect, the duty of the associations towards their members is to exercise the controlling authority conferred on them by the statutes. If a member should fail to fulfil his obligations, the association may take direct action against him. If the person failing to respect the rules established by a collective contract is not a member, although belonging to the category represented by the association, he may indirectly be brought back to observance of the rules as aforesaid by the various means at the disposal of the association, such as protection of personal interest, friendly intervention and so on.

Further, when it is explicitly agreed that an association guarantees the fulfilment of a contract, it shall be responsible for non-fulfilment on the part of those bound to observance thereof. Such guarantee is undertaken exclusively towards and in respect of another association and not by an occupational association towards individuals.[1] Occupational associations are financially responsible for the obligation assumed in connection with the collective contracts arranged by them, to the extent of their entire property. They must also set apart yearly 3 per cent of the syndical contributions received in order to form a guarantee fund additional to the general guarantee referred to on page 26.

§ 3. Fascist legislation is particularly concerned with

[1] P. Greco, op. cit., p. 259.

the content of collective contracts. The law of 3 April 1926 and the Labour Charter fix the chief points to be regulated by collective contracts; in addition to the provisions embodying the substance of the law there is a series of explanatory regulations for the purpose of giving it effect. Questions of substance dealt with by law through the regulations concerning collective contracts are: (*a*) those concerning the regulation of labour; (*b*) those relating to the scale and methods of payment of workers; (*c*) those concerning the aid to be given to workers when obliged on account of illness or for political reasons to stop working.

The Substance of Collective Contracts.

Homogeneity in the direction and efficiency in the working capacity of an enterprise are matters that cannot be left to the discretion of individuals, since they concern the entire economic structure of production. The Italian legislature expects the worker to be an active collaborator in the enterprise to which he belongs and claims that the penalties to which he is liable in case of breach of discipline shall be made clear. Special stress is laid on scrupulous and unswerving respect for the time-table.

(*a*) Rules relating to Discipline.

The employer's chief duty is to pay his workers for their work. Collective contracts must lay down provisions as follows: (1) regarding wages, that they shall be paid in the form most suited to the requirements of the worker and of the enterprise (that is, at time-rates, piece-rates, etc.); (2) regarding the method of payment, whether weekly, fortnightly, etc.; (3) regarding the weekly day of rest and the annual holiday to which workers are entitled after uninterrupted service of more than one year; (4) regarding payment for overtime and night work, when the latter is not included in the regular periodical shifts; (5) regarding compensation in cases of dismissal through no fault of the worker. No compensation is due to a worker taken on for a trial period, but merely payment for the time he has actually worked.

(*b*) Rules relating to Remuneration.

A clause in collective contracts makes assistance to workers during illness compulsory; and the collective contract remains in force so long as the absence from work does not exceed a certain period of time, to be fixed in each contract. The law decrees that employers and workers shall contribute, each in a certain proportion, to the Provident Funds. The law prescribes also that, whenever possible, collective contracts shall provide for the establishment of Mutual Sickness Funds for the benefit of workers during illness, the contributions being provided and administered by both parties. Lastly, collective contracts must take into account the fact that a call to arms for reasons other than the regular obligation of military service or a call to the service of the Fascist Militia does not constitute good grounds for dismissal.

(*c*) Social Insurance and Benefits.

§ 4. In addition to these requisites, which are regarded as essential, the Italian law prescribes certain other purely formal requirements: (*a*) An indication of the firms or categories of firms and workers concerned; (*b*) an indication of the area to which the contract applies (in cases where this indication is lacking, the collective contract holds good for all employers and workers regularly represented by the associations concerned); (*c*) an indication of the term for which the collective contract is made. Without defining the maximum duration of such contracts, the law tends to the exclusion of those arranged for indefinite periods. On the expiry of the term fixed for its duration, the collective contract is considered as renewed for an equal time period, unless notice of non-renewal has been given by one of the contracting parties within the time prescribed in the contract or at least two months before the date of its expiry.

The Form of the Collective Contract.

§ 5. Italian law does not lay down any special rules regarding the assent of associations to the conclusion of collective contracts. This matter is left entirely to the statutes of each association which may prescribe that special deliberative bodies may

Assent and Approval.

supervise or co-operate in the conclusion of such contracts. Failing any special provision to the contrary, the contract shall be considered as legitimately settled by the competent representatives of the association, and therefore by the President or Secretary. According to the law consent must be signified in writing, otherwise the contract is null and void. Collective contracts are public deeds, since the legal representatives of the association are acting in their public capacity. It is compulsory for all parties, whether principals or accessories, to have written contracts. It is equally necessary to insure validity that the contract shall be signed by the legal representatives of the contracting associations, or by persons provided by them with a special mandate.

§ 6. Italian legislation requires collective contracts to be made public by (*a*) formal deposit and (*b*) publication.

Deposit and Publication.

Collective contracts, when executed, must be deposited, within thirty days from the date of execution, at the local prefecture, if the contracting associations are communal, district or provincial associations, and at the Ministry of Corporations, if they are regional, inter-regional or national. The law provides for cases in which contracts may be filed after the expiry of thirty days, but this formality must in no case be delayed more than sixty days. The contract may determine which of the contracting parties has the obligation to make the deposit, but if the contract contains no such provision the obligation is equally incumbent on both parties, with equal and joint responsibility. The text to be published must be an extract of the contents, drawn up in agreement by the respective associations. The text deposited for publication must indicate:—

the date and place of settlement;

the contracting associations and the representatives appointed to arrange the contract;

the enterprises and classes of worker to which the contract refers;

the territorial area covered by the contract and its duration;
the objects of the contract;
the acceptances, authorisations or ratifications.

When a collective contract requires the approval of the competent authorities of the respective professional associations, the text must state that such approval has been granted, and similarly with regard to previous authorisation or ratification by the superior associations, when these sanctions are required by the statutes.

Since the authorities with which the collective contracts are deposited consent to their publication, it is necessary that the rules contained therein shall be in accordance with the laws in force regarding the protection of workers. Questions of conformity must be submitted to the Labour Inspectorate and to the Ministry of Corporations by the Prefects, in the case of provincial contracts and to the Labour Inspectorate only by the Ministry of Corporations, in the case of contracts which are operative for two or more provinces.

The publication of contracts for communal, district or provincial associations is made through the schedule of official information issued by the provincial authorities; for regional, inter-regional or national associations it is made through the Official Gazette of the Kingdom. Publication may be refused in the case of contracts which for reasons of substance or of form are inoperative. The parties concerned may appeal to the Labour Court against such refusal to publish. Unpublished collective contracts have no force or value and are therefore null and void. The above ruling of the Ministry of Corporations put an end to a dispute that had its origin in the fact that the Labour Court had declared unpublished collective contracts to be valid for the signatory parties only.

III. WAGES UNDER THE COLLECTIVE CONTRACT

Conditions governing Wages under the Corporative System.

§ 1. One of the most controversial points in the settlement of every labour contract is the question of wages. On this subject Fascist legislation lays down a general principle and at the same time gives directions for its practical application. The principle is formulated as follows: wages must correspond to (1) the normal requirements of life; (2) the possibilities of production; (3) the labour output. These abstract general conditions take economically concrete form through data showing "the conditions of production and of work, the situation of the money market and the variations in the workers' standard of living." By this provision the Corporative State puts at the disposal of the organisations concerned with fixing wage-rates (namely, the syndicates, corporations, Labour Courts and other mediating bodies) different series of data which, "co-ordinated and compiled by the Ministry of Corporations, supply the standard for harmonising the interests of the various categories and classes one with the other and with the higher interests of production" (Labour Charter, Declaration XIII). These series of data refer to:—

(*a*) The conditions of production, that is to say, they concern the general industrial trade (productive capacity, efficiency, scientific management, use of machinery, effects of tariff and customs protection, workers' employment, etc.) and the labour trend as regards wages in the various regions and industries, unemployment, hours of labour and overtime, the work of women and children, night-work, etc.;

(*b*) the state of the money market as determined, for instance, by the fluctuations in the rates of exchange, credit movement, Stock Exchange quotations, etc.;

(*c*) the variations in the workers' standard of living, as observed in the chief centres of the Kingdom, applying so far as possible a uniform standard.

It is certainly no easy task to determine wage-rates

with the aid of the indications supplied by the Labour Charter and other laws of the Corporative State. The series of data referred to above have not been collected continuously and at times there are gaps in the information on points of essential importance, nor is it clearly stated how these data should be handled. The Italian legislator however, in drafting Declarations XII and XIII of the Labour Charter, seems to have been influenced by the current theory of economic equilibrium. It is uncertain *a priori* whether the data available are sufficient to determine the unknown factors. A special service is now being organised at the Ministry of Corporations which will study and work out all data necessary for determining rates of wages. The practical working of this service will be the best proof of its capacity to satisfy the purposes of the principles referred to above.

§ 2. Of the three general conditions governing the determination of wages under the corporative system, the first—namely, that wages must correspond to the normal requirements of life—seems to be the most important.[1]

Normal Requirements of Life in determining Wages under the Corporative System.

Although it is difficult to state just what is intended by the normal requirements of life, there is no doubt that this expression conveys the idea of an ethical criterion and of an essentially dynamic conception of wages. The pay of a worker must be such as to procure for him the necessary elements in a standard of living suited to his condition. This consideration must override all others which have regard to the possibilities of production and the labour return. The wages suited to the normal living requirements of a worker must take into account the needs of the class to which he belongs, and should be based on a criterion of distributive justice, as a result of which each productive category is guaranteed the satisfaction of its own needs as compared with those of other categories. Wages under the corporative system do not therefore consider a

[1] G. Arias, *L'economia nazionale corporativa, Libreria del Littorio*, p. 98. Rome, 1930.

minimum living wage; they should have a wider meaning and aim at raising gradually the workers' standards.

The wages of a category cannot remain fixed at a very low level when the movement of production is upwards and business is prosperous, just as it is impossible for wages to be kept at a high level when prices are dropping and business generally is falling off. Given a ruling State that controls all the productive forces of the nation, the institution of a system for adjusting wage-rates to the actual situation of the public economic life necessarily follows. Such a system renders the revision of wages indispensable, whenever important changes occur in national economy, while it serves to regulate wages during the temporary and passing changes of less important movements.

Wage-rates under the corporative system do not mean a decided leaning towards one or the other of the present tendencies to high or low wages.

The recent lowering of wages in Italy is rather a consequence of the economic depression that is affecting the whole of the Western World than a deliberate attempt to adopt the low-wage as against the high-wage theory favoured in America.[1]

Wages have a tendency to be equal to the net product of labour, and they undoubtedly decide the degree of specialisation, energy and efficiency shown in the work. Leaving freedom of economic initiative unhampered, as is the tendency of the corporative régime, it would be absurd to suggest as an ideal system the lowering of wages in order to cut down prices. Such a method may considerably assist in the stabilising process and serve to deflate prices, but its value is contingent on prevailing economic and social conditions.

The general criteria and statistical records indicated by the Labour Charter for the determination of wages are of a somewhat abstract value, and must not be considered as immutable general rules. The Labour Charter states, in fact, Declaration XII, that "wages shall be

[1] See the Table on Wages, Appendix B.

fixed without reference to any general rules and are a matter for agreement between the parties to the collective contracts." The main concern of the Fascist legislator was to put the contracting parties on a footing of absolute equality, leaving employers and workers at liberty, within certain limits, to find a stage of equilibrium on which they believe it possible to stand for a certain period with mutual benefit.

§ 3. The above considerations apply equally to time- and to piece-work. Wages for time-work thus calculated are considered, unless there is an explicit statement to the contrary, as the minimum wage below which labour may not be employed—although, in fact, representing the wage corresponding to an average output. The time-rate is taken as the basis for fixing the wages for piece-work; and the "diligent workman of normal working capacity will be able to earn a minimum amount over and above the basic wage" (Labour Charter, Declaration XIV). In addition to the economic advantages of this system, the social advantages are obvious when it is realised that it is applied to all forms of home-work, thus avoiding the evils of the sweating system, which, aiming at a minimum wage for a maximum working day, compels the worker to work very long hours for wretched pay.

Time-Rates and Piece-Rates.

Harking back to the main factors in the problem as set out above, it may be stated generally that piece-work wages afford one of many examples of corporative policy in action. The State guarantees employers the discipline necessary for the purposes of production; at the same time, it provides for the material and social protection of a category, such as that of piece-workers and home-workers, which it is very difficult to organise and protect. The wages of many piece-workers and especially of all home-workers will undoubtedly be raised by the above provisions, and in any case it is not fair that manufacturers should receive an undue profit when already, by giving the work out, they reap considerable benefit, even assuming parity of home and factory wages, in the saving on

expenses for plant, taxes, administration, etc. The sweating system evil, when it means a wage that forces the worker to a standard of living which is too low in relation to the minimum requirements of civilised life, must be rooted out by force of law in the name of a higher social interest, even though one category, in this case the employers, must temporarily submit to a reduction of profits.

IV. COLLECTIVE CONTRACTS IN THEIR PRACTICAL APPLICATION IN ITALY

National, inter-Provincial and Provincial Collective Contracts.

§ 1. The labour contracts arranged in Italy during the last five years have contributed to the stabilisation of labour conditions, both by their constantly increasing number and by the extension of their local validity. Each syndical association may arrange collective contracts that are valid within the limits of its jurisdiction. Thus the National Confederations of Employers and of Workers respectively in a given branch of production can come to an agreement in the settlement of national contracts that are valid for the whole of the Kingdom. Inter-provincial and provincial syndicates make contracts that are valid within the limits of their territorial jurisdiction, and the same may be said for the minor trade and occupational associations.[1]

The number of purely local contracts is much smaller than that of national or provincial contracts.[2] In any case, local and provincial contracts having reference to a single enterprise, when the only one engaged in that branch of production in the area, are equally applicable to any similar enterprises that may be started later in the same area. Naturally, the more extensive the district over which the contract is valid, the more general are the conditions established thereby; thus, as a rule, national contracts fix general measures only, such as

[1] See Tables on Collective Labour Contracts, Appendix B.

[2] *Bollettino del Lavoro*, 1929, pp. 118, 397, 650 *et seq.*

the rules for engagement and dismissal, disciplinary measures and mutual aid. Provincial or regional contracts may cover a yet wider field and contain more special clauses, fixing in general terms the rate of wages, of compensation, etc. The chief Italian industries—metallurgical, textile, building, electrical, chemical, theatrical, banking, transport, etc.—have collective contracts of a general type, with rules regulating every aspect of occupational and professional relations.

§ 2. After what has been said above with regard to the terms of collective contracts, there is but little to add by way of explanation as to the way the contract works in practice.

Details showing the usual rules contained in each Collective Contract.

The sphere of validity of a collective contract is stated in the title, which indicates whether it is national or provincial (in which case the province is named) and whether it applies to a single enterprise only. The text of the contract contains in the first place the rules for the engagement and the number and qualifications of the staff, and generally indicates the names of the Employment Bureaux that engage the workers and a list of the papers they must present, when applying for work. Before dealing with the cardinal question of hours of work and wages, reference is as a rule made to the trial period which the worker must undergo before being definitely engaged. Next follow provisions concerning the number of working hours. All the contracts accept the principle of the eight-hour day for a week of six working days. This rule is subject to variation in the case of work that is not continuous, or when it is desired to leave Saturday afternoon free. Provision is frequently made for compensation if it is necessary to make up for worktime lost through no fault of the employer. The question of holidays is naturally connected with the question of working hours. The collective contract considers Sunday as a holiday, and gives a list of the other days in the year treated also as holidays; it also provides for compensation days to be given when

the requirements of the service necessitate working on regular holidays. Special rates of pay are allowed for such work, and also for overtime and night-work.

The collective contract fixes the duration of the annual paid holiday and the classes of workers entitled thereto. As regards wages, the wider the district over which the contract holds good, the less is its capacity for laying down fixed rates. In the absence of such fixed rates, explicit reference is always made to local agreements in force or to be arranged within a brief period. Wages are paid in accordance with the usages customary in each enterprise, but as a rule they are paid weekly or fortnightly to workmen, and monthly to other employees. Provision is also made for advances payable before the date on which the wages are due. Part of the wage is frequently kept back, either to cover sureties required from the worker or as a contribution to the various insurance funds that are compulsory by law. When a firm has recourse to piece-work side by side with ordinary time-work, special rules are laid down for fixing the rates of pay. If, upon the basis of these rules, the pay fails to reach the limits prescribed by law, provision is made whereby representatives of the workers' association take up the matter with the employers' association. Special clauses provide that there shall be no infringement of dependants' rights on the cession, re-organisation or transfer of an enterprise and similarly in case of bankruptcy. Definite rules fix the indemnities due to workers dismissed against their will and for no fault of their own. Such indemnities are calculated in proportion to the wages received and to length of service. It is specified that the breach of a contract in consequence of a call to arms for regular service entitles the worker to compensation, whereas a call to arms for emergency service or in the Fascist Militia does not constitute a reason for breaking a contract as in this case the compensation due to the worker is settled apart.

The next clause in collective contracts concerns the

measures to be taken in case of sickness, indicating the maximum period during which sick workers have the right to retain their posts. Closely allied with this provision are the rules on the constitution of sickness funds and on the proportion in which employers and workers shall contribute thereto. Then come the rules to be followed by the victims of accidents during working hours for the purpose of securing the necessary medical care and compensation.

A separate paragraph contains a series of rules concerning disciplinary measures, dealing with the responsibility of dependants, the ranking of employees, internal arrangements within the factories and all forms of control on the part of superior authority. Absence from work and the means of justifying it are also treated in this paragraph. Lastly, every collective contract includes a list of the acts prohibited during working hours and indicates the punishment for each infringement. The punishment varies from verbal or written warning to fines and suspension from work for a given period. The maximum punishment provided by the contract is instant dismissal.

The contract as a rule concludes with a statement showing its duration, date of expiry and the formalities for renewal, which may be either understood or expressed. Each contract is signed by representatives appointed by the contracting associations.

CHAPTER III

LABOUR COURTS

I. THE STATE AND LABOUR DISPUTES

§ 1. THE settlement of labour disputes under the Fascist Régime has special characteristics of homogeneity and efficiency. Taking as starting-point the fact that the State is the supreme regulator of all branches of the activities of the country, all decisions on labour questions, whether individual or collective, or connected with labour penal procedure in cases of strikes or lock-outs, have been entrusted to organs of the regular courts. The ordinary judges are provided with the assistance of expert advisors, when required by the nature of the dispute, but the ordinary jurisdiction always forms the fundamental basis. Without the introduction of any substantial changes in essential features, procedure is rendered as speedy as possible. The briefest possible interval should elapse between the beginning of the dispute and its settlement.

Ordinary Jurisdiction and the assistance of Expert Advisors.

§ 2. If reference is made to the laws that deal with the Labour Courts in Italy and to the procedure followed by the judges, it is found that the State does not remain indifferent to the conflicts between capital and labour, nor does it regard them as merely private issues. The Fascist State, which considers the national economy as something to be safeguarded and the protection of labour as a social duty, while at the same time guaranteeing within certain limits the private organisation of production, could not leave untouched the settlement of disputes in so delicate a matter.

Compulsory Intervention of the State.

Worthy of note is the opinion on labour disputes expressed by Alfredo Rocco.[1] He declares that legislation on the subject is undergoing the same evolution as did legislation prohibiting self-defence in the past. Within the development of States various precedents for this policy are to be found. The primitive State, for instance, found considerable difficulties in putting a check on violence as a means of self-defence. The strength and full efficiency of the State legal institutions were attained only when the public administration of justice was substituted for individual or group self-defence. The Middle Ages show instances of personal and family vengeance and consequential acts of self-defence without any codified organisation. Subsequently, the first rudimentary rules of law were applied to the duel, which may be considered in its established form as a legal settlement of the self-defence question.

By way of the compulsory intervention of the Government, the imposition of a judgment on the parties and the creation of a fixed jurisprudence, the present development of the law is reached.

Thus there seems to be no reason why to the economic interests of the citizens' occupational categories the same juridical form of settlement should not be applied.

II. HISTORICAL PRECEDENT AND INSTANCES OF COMPARABLE LEGISLATION

France. *Conseil des prud'hommes.*

§ 1. France provides the earliest example of a Labour Court in the first *Conseil des prud'hommes*, established in 1806 in connection with the silk industry. These Councils, which rapidly spread in French industrial towns and in other European countries, were intended to settle or to solve minor disputes arising between employers and workers, workers and apprentices. Their competence was extended by

[1] Alfredo Rocco, "The Transformation of the State." Rome, p. 336, *La Voce*, 1929.

later laws and the forms of procedure were altered on an equality basis, each of the parties having equal representation.

The characteristic feature of the *Conseil des prud'-hommes* is the preliminary attempt at conciliation. Should this attempt not prove successful, the dispute is then decided by a jury composed of an equal number of employers and of workers, the two categories being represented in turn in the presidency.

When the matter in dispute exceeds a certain fixed value appeals are brought before the Civil Tribunals.

The Loucheur Bill of 1927.

The individualistic character of French labour legislation is undergoing but slight changes to judge from the more recent bills before Parliament. Thus in 1927 Minister Loucheur prepared a bill on the compulsory settlement of disputes.

This bill is limited to the institution of a pure and simple compulsory process of arbitration and does not reach the stage of the delivery of a binding judgment. Critics among the employers and extremist parties do not appear to be satisfied with this method of settling disputes, which is indecisive in character, inasmuch as, while granting a certain importance and possibility of development to the syndical associations, it does not attribute to them the necessary legal recognition.

With some modifications these *Conseils des prud'-hommes* were adopted by various European countries, including Belgium in 1859, Austria in 1869, Switzerland (Canton of Geneva) in 1882, and Italy in 1893. Germany maintained the Councils, established by France, in the provinces annexed after 1871. In 1890 a general law enforced the adoption of these tribunals throughout the Empire.

Germany. Labour Courts.

§ 2. In Germany labour tribunals have a president, who should not be an employer of labour or a worker, and the jury consists of an odd number of members. According to the law of 28 December 1926 the Labour Courts in Germany (*Arbeitsgerichte*), having general competence as regards

all disputes relating to labour questions (*Arbeitssachen*) with the exception of those relating to seamen, public servants or a worker's invention, are divided into Labour Courts in the strict sense of the term (*Arbeitsgerichte*) considered as of first instance, Regional Labour Courts (*Landesarbeitsgerichte*) and Imperial Labour Courts (*Reichsarbeitsgerichte*), considered as final tribunals for appeals and revision.

Regional Labour Courts. Imperial Labour Courts.

The procedure is in all cases very similar to that adopted in the Italian labour procedure in individual cases.

This law has a procedural character and shows, in effect, a tendency towards political innovations. By the manner in which it has been established, it would appear to favour an increase of syndical cohesion on the part of the employers and workers, as instanced, e.g., by the absence of lawyers to defend the parties.

Labour questions are removed from the jurisdiction of the ordinary Courts and referred to the special Labour Tribunals without regard to the importance of the suit.

Great Britain. Arbitration Act. Councils of Conciliation Act.

§ 3. English-speaking countries do not possess this kind of legislation. In 1824 Great Britain enacted the so-called "Arbitration Act," but it was shortlived owing to the complicated nature of the procedure. The "Councils of Conciliation" Act of 1867 authorised the institution of labour courts similar to those in France, but such courts were never in fact established.

War Legislation.

Voluntary arbitration, i.e., arbitration spontaneously applied for by the parties in collective disputes, has reached its most characteristic development. The numerous efforts made in order to render arbitration compulsory through State intervention, ended in as many failures. Only during the world war did the difficulties arising from the sudden increase in the cost of living and from the necessity for continuous working in many industries induce the Government, the trade unions and the industrialists to favour com-

pulsory arbitration and, in certain basic industries, to inflict penalties for abandoning work. Notwithstanding these measures the number of strikes and lockouts constantly increased in England after the war and the effort made to bring about a permanent improvement in the relations between employers and workers does not appear to have been particularly successful.

Attitude of the British Public.

The acceptance of compulsory arbitration in labour disputes on the part of the English people has met and still meets with considerable obstacles. The experience of recent years shows: (*a*) that the settlement of disputes is all the more satisfactory when it is spontaneously requested by the parties themselves without compulsory Government intervention; (*b*) that the conviction on the part of the worker that he is a responsible element within the administration and control of industry constitutes a factor most favourable to the prospects of a settlement.[1]

United States of America. Conciliation Courts.

§ 4. In the United States of America (Pennsylvania) an effort was made, through a legislative measure adopted in 1883, to form a Labour Court; this court was, however, never effectively established and the law was repealed ten years later. There are at present in the United States a few conciliation courts for dealing with minor disputes. They differ from every kind of European Labour Court, inasmuch as neither the employers of labour nor the workers have any representation amongst the judges. The judge is not elected by the two parties, but is chosen by the Chief Justice. The subject matter of the dispute may also lie outside the pure labour field.

In the United States the Central Government or the Government of the individual states has been chiefly interested in acting as mediator in conflicts arising between employers of labour and workers in the railway industries and, during the war, in certain basic industries.

[1] Commons and Andrews, *Principles of Labour Legislation*, p. 146. New York, Harpers, 1927.

More rarely there has been recourse to voluntary arbitration or to compulsory investigation in order to ascertain the true grounds of the dispute. Compulsory Government arbitration is not regarded with favour by the organised workers of the United States, where the Unions consist mainly of specialised workers. These workers represent a real force in negotiations with the industrialists and frequently succeed in obtaining from them favourable working conditions. But politically they have scanty electoral power and it would be therefore very difficult for them to have any influence on governmental decisions in cases of compulsory arbitration. At the same time the organised workers do not wish to run the risk of a court decision when they are able to maintain the economic successes they have already secured. Employers can in a number of ways control the workers' policy and thus avoid recourse to a system connected with the risk of a vote. The only class that might derive benefit from this situation would be the non-specialised workers, but they have little or no weight among the working masses of the United States. Thus instances where arbitration courts have given a compulsory award to the parties are very rare. Whenever there has been a tendency towards the adoption of these courts, the interested parties have endeavoured to avoid this danger by every means in their power, and more especially by insisting on the unconstitutional character of the measure according to Article 13 of the American Constitution. Notwithstanding this opposition, which up to the present has always been successful, it cannot but be noticed, if American legislation is carefully examined, that it seems to be tending towards compulsory arbitration. The various stages in this process are: (1) compulsory investigation; (2) compulsory compliance with the decisions accepted by both parties; (3) prohibition of any sudden change in the conditions agreed upon; (4) prohibition of sudden strikes and lockouts. The experiment made in the state of

Voluntary and Compulsory Arbitration.

Present-day Tendencies.

Kansas is particularly worthy of attention. This state, in 1920, instituted compulsory arbitration, establishing for the purpose a Court of Industrial Relations, composed of three judges appointed by the Governor for a period of three years. Many industries, considered as of public importance, were submitted to Government supervision "for the purpose of preserving the public peace, protecting the public health, preventing industrial strife, disorder and waste, and securing regular and orderly conduct of the business directly affecting the living conditions of the people." [1]

The Kansas Experiment.

This Court expressly recognised the right of collective bargaining, but strikes, boycotting and other forms of violent action on the part of the workers were prohibited, just as the court had the right to control any tendency on the part of the employers of labour to reduce or interrupt work.

The objections raised by the employers and workers against these courts were numerous. From 1923 to 1925 several judgments of the Supreme Court of the United States declared these courts unconstitutional and they were abolished.

§ 5. As regards Russia a distinction must be made between legislation in force during the period of the so-called war Communism and that of a more conciliatory order initiated in 1922. Article 168 of the Labour Code is thus worded:—

Russia. Voluntary Arbitration.

All cases of infraction of labour legislation and all disputes relating to the employment of wage-earners shall be dealt with, when compulsion is required, by the Labour Tribunals and, when conciliation, by the Commissions on labour disputes, by the Conciliation Chambers and by the Arbitration Courts, organised on a basis of equal representation.

There are to be found instances of: (1) infraction of the Labour Code and of collective labour contracts, and (2) civil disputes relating to the application, stipulation and interpretation of a labour contract. Cases falling under the first category

The various Adjudicating Bodies.

[1] Commons and Andrews, op. cit., p. 185.

are judged by the People's Courts in special sittings in which a representative of the Labour Commissariat and a representative of the syndical organisations participate, under the direction of the President of the Court. Cases under the second category are judged by the Commissions on Disputes, the Conciliation Chambers and the Arbitration Courts, the respective regulations of which date back as far as 29 August 1928. These organs for the judicial settlement of labour disputes are:—

I. Commissions constituted on a basis of equal representation in each factory or establishment, composed of employers' and workers' representatives. These Commissions may fix fresh conditions of labour. Their competence is compulsorily laid down in regard to certain questions, while in respect to others the worker is free to choose between the Commission and the People's Court sitting as a Labour Court;

II. Conciliation Chambers constituted within the People's Labour Commissariats as local labour organs. These deal with cases where an agreement has not been reached through the Commissions having equal representation and with certain disputes concerning collective contracts;

III. Arbitration Courts formed at the request of one of the parties within the labour organs of the Conciliation Chambers. They consist of one representative of each of the parties and of an arbitrator chosen by common accord. The decisions of these courts are final;

IV. Labour Sessions of the People's Courts, which examine disputes arising through some violation of the labour laws or in connection with the clauses of a collective or individual contract. The decisions of these Sessions are open to appeal and to reference to the Court of Cassation.

Compulsory Arbitration.

Recourse to compulsory arbitration is made in the following cases only: (*a*) when in a business enterprise the two parties do not agree on the appointment of the super-arbitrator; (*b*) when a dis-

pute arises in a small industry where there is no collective contract; (*c*) when the dispute is prejudicial to the economic interests of the State.

III. SETTLEMENT OF INDIVIDUAL LABOUR DISPUTES IN ITALY

§ 1. Prior to 1 October 1928 individual labour disputes[1] in Italy were settled by Boards of Arbitrators (*Probiviri*) or Arbitration Commissions for cases arising in private employment, etc. As from 1 October 1928 all questions of an individual character were referred to the ordinary Italian jurisdiction, i.e., to the Pretors and Courts. The Pretors deal with cases involving sums ranging from 1 to 5,000 liras, whereas where a higher sum is in question, competence lies with the Courts. Both the Pretors and the Courts, when sitting to decide individual disputes, are generally assisted by two lay experts on labour questions, one belonging to the employers' and the other to the workers' categories respectively. These experts are chosen from persons inscribed on a special panel, with due regard to the various specialised types of trade and industry existing in each province. The assistance of the two experts is not absolutely indispensable unless the parties at the first hearing make specific request, and designate persons chosen by common agreement from those possessing the necessary qualifications to hold office. The judge is not obliged to choose the experts requested by the parties, but cannot refuse the assistance of two of them unless the experts, for reasons foreseen by the law, are unable to act. Individual disputes may as a rule be settled by arbitrators chosen by common agreement between the parties according to the rules laid down in the Italian Code of Civil Procedure. The possibility of

Composition of the adjudicating Bodies.

[1] Professor Jaeger defines an "individual dispute" as one that can be settled by a judgment or by an individual contract. Thus an individual dispute exists when the parties in conflict are the same as those that may be parties in an individual contract.

arbitration is excluded in the case of individual disputes arising from the application of a collective contract. Such cases may not be removed from the competence of the judicial authority and all clauses contained in collective labour contracts and equivalent rules that contravene this principle are null and void.

Method of bringing an Action.

The labour judge (Pretor or Court), notwithstanding the special competence on each particular question conferred by the assistance of the experts, remains within the orbit of civil jurisdiction when dealing with individual disputes concerning labour relations. The action based on the non-fulfilment of a collective labour contract must, before it is submitted to a decision, be preceded by a declaration setting out the facts of the non-fulfilment in cause, addressed to the legally recognised association of the category to which the plaintiff belongs, even if the party is not an effective member of such association. The association must also interpose its good offices in order to reach agreement through the legally recognised association to which the defendant would be assigned even if he is not a member. If agreement is not reached after fifteen days from the dispatch of the declaration, the interested party may propose that the action be submitted for judgment. If the individual action is dependent upon, or in any way connected with a collective suit in respect to which a decision is to be delivered by the Labour Court, the individual action is subordinated to such judgment.

The Parties in the Case.

The parties may appear personally or may appoint a representative. Representation, including the power of settling the dispute, is not subject to any special formality. In order to institute proceedings, it is sufficient to submit a demand for appeal, which shall include the names of the parties, their addresses, the reasons for action and a statement of the case. The Pretor or the President of the Court fixes the date when the parties shall appear for the hearing of the case. Copies of the appeal containing this information are immediately sent, officially, to the interested parties.

At the first hearing, besides the declaration of acceptance or of rejection on the part of the defendant and declaration of persistence in the demand or of withdrawal on the part of the plaintiff, questions of competence, procedure and all other preliminary issues are settled. These points, if not raised at the first hearing, may not be brought up again by the parties.

Attempts to reach agreed Settlement.

The Pretor or Court must, first of all, attempt to induce the parties to come to an amicable settlement. In any case when the association of employers or of workers belongs to federations or confederations or is connected by central liaison organs (i.e., the so-called Corporations), judicial action may be instituted only when the effort to arrive at an amicable settlement has been made and failed. During the proceedings steps to reach agreement must be taken whenever the opportunity arises. When all chance of reaching agreement has failed, the Pretor or the President may, if the parties so request, at once begin the discussion of the case or else adjourn the case for a period not exceeding ten days. At the hearing the documentary evidence is called for, including the production of documents substantiating the claims of the parties. Whenever documentary evidence is not called for the case is decided on its merits. If the judgment is not immediately read in a public session, it must be deposited within three days in the chancellery so that the parties may take cognizance of it. No adjournments are allowed unless more than one sitting is required.

Appeal to the Labour Courts may be made in judgments where sums exceeding 2,000 liras are at issue.

The decisions of these courts may be annulled or revoked according to the provisions of the Italian law on this subject.[1] A request for revocation is also admitted against executive sentences admitting an appeal when no appeal has been made following an immediate

[1] For the annulment of a decision see Code of Civil Procedure, Art. 519. For revocation see same Code, Art. 494 *et seq.*

proposal of the parties, provided always, however, that these sentences infringe a collective labour contract or are incompatible with an executive sentence delivered by the labour magistrate, in accordance with the terms of Article 87 of the Royal Decree of 1 July 1926.

The Panel of Experts.

The experts in labour questions, who assist the judges in their decisions on individual disputes, are inscribed on panels kept for the purpose in every Court or *Pretura*. Every two years, on the advice of the several occupational associations legally recognised, the Labour and Social Insurance Section of the Provincial Economic Councils appoints these expert advisors. They are chosen from the categories of employers of labour and of workers according to the different types of enterprises to be found in each province. The experts on the panel belonging to the employers' category must be equal in number to those belonging to the workers' category. The panels of each court and *Pretura* are approved by decree of the First President of the Court of Appeal, after consultation with the President of the Labour Court. The panels are renewed, as regards one-third of the membership, every two years. No person who is not an Italian citizen, is less than 25 years of age or cannot present the necessary guarantees of capacity and moral conduct, is eligible for inclusion on a panel. No expert advisor inscribed on a panel can be called upon to act if he is in any way personally interested in the dispute.

General Tendencies of these Regulations.

The rules established for the legal regulation of the individual labour law clearly show the Fascist tendency: (*a*) to concentrate the delicate task of the administration of justice in a reduced number of organs; (*b*) to endeavour, on every occasion, to bring about an agreement between the parties, thus emphasising the spirit of collaboration between the different categories; (*c*) to pronounce judgment, whenever it is inevitable, with as little delay as possible.

§ 2. As regards the spirit of the new legislation, the tendencies peculiar to the corporative reforms enumer-

ated in the Labour Charter and in the various laws, which have already been mentioned, show a clear and substantial coherence. The uniformity in the rates of payment in relation to the work done, the possibility of reaching agreement through an amicable settlement, the constant consideration of the higher interests of national production, are principles which are stressed consistently. In practice the judgments do not always display this continuity. Often local customs or contractual conditions more favourable to the worker have received more consideration than the observance of the laws above mentioned and consequently the application of these rules gives rise at times to contradictions and omissions. An explanation of this lack of uniformity may possibly be found in the study of the gradual transformations which the labour organs competent to give decisions have undergone in Italy. In the period of democratic and liberal tendencies in Italy all questions connected with industrial relations were handled by organs which considered labour disputes principally in their technical aspects. The general interests of public economy and the prestige of the State were seldom taken into account, and never as being fundamental in the solution of the question. Even after the advent of Fascism and the enactment of important provisions such as those of July 1926 and the Labour Charter of April 1927, the sentences of the Board of Arbitrators and of the Arbitration Commissions showed traces of a different mentality.

Notes on the Practice followed in Italian Laws.

Historical Explanation of certain inconsistencies.

Hence, the reference of all decisions in labour matters to the ordinary court, assisted by expert advisors, was a logical provision. It is currently held, however, by students of the subject, that it is necessary to introduce through further modifications a greater uniformity into the complex of rules regulating labour relations, in order to bring them into harmony with the general structure of the Corporative State.

The nature of this summary study does not justify

the citation of every judgment delivered by the Italian courts on labour questions and a reference to decisions illustrating some point worthy of note or illustrating uniform tendencies will suffice for present purposes.

Importance of Local Usages.

In the various decisions delivered between 1927 and 1930 there is to be found a fluctuation in the estimation of the customs peculiar to a locality or trade as compared with the law of the collective contract. Local custom, in fact, seems to rise superior to the law (Central Commission, 2 February 1927; Central Commission, 2 July 1927) and even to contracts and negotiations between the parties (Court of Cassation, 2nd Civil Section, 15 June 1928), whenever it appears to be more favourable to the worker. This trend exemplifies the tendency of the judge to favour the weaker party in a dispute. But the law as drafted contemplates placing the employer and the worker on the same basis of equality both from the legal and from the economic standpoint. As it is the present intention to establish the relations between capital and labour on this new basic principle, it follows that it is necessary that these relations should be regulated solely by the law which specifically deals with this subject.

In this connection it should be noted that a decision of the Labour Court of Bari (Bari Labour Court, 26 June 1929) maintains unvaried the conditions established by law and confirmed by contract between the parties, even when they are in contrast with the prevailing custom. Similarly an agreement between the parties is rendered null and void when it is contrary to the above law (Court of Appeal of Naples, 13 May 1927). Furthermore, an agreement, provided it is not contradictory to the terms of a law, overrides customs, however general and constant these may be (Court of Catania, Labour Section, 29 December 1928.)

Local custom, varying considerably from region to region, has gradually become established in Italy. This variation is harmful to the uniformity of industrial enterprises, especially when these constitute a vast economic

complex with activities diffused all over the Kingdom. Decisions, therefore, which involve conditions which do not strictly comply with the law in order to satisfy local customs, appear to be fully justified (Central Commission, 19 February 1927). Local custom is considered valid in fixing conditions for a person employed in a branch office independent of the head company, in so far as the custom is not incompatible with the law (Central Commission, 1 April 1927).

Variations in Contractual Conditions.

The relations of legal and economic equality as between employers and employed are clearly shown by the fact that one party cannot change the conditions of a contract without the consent of the other. A change in conditions introduced without the consent of the other party is tantamount to a breach of the contract, entailing a consequential right to proper compensation (Central Commission, 9 June 1927; Pretura of Udine, Labour Section, 2 May 1929). This is the case when the transformation of a business involves changes in the position of the workers.

Compensation for Dismissal.

Compensation for dismissal is a very delicate question in matters of individual labour disputes. It is more easy that a dispute should arise in consequence of the contentious attitude of one of the parties, particularly of the employee, than that it should be avoided because of some legal provision, however explicitly formulated. On this subject sentences are very numerous and varied and it would be impossible even to attempt to summarise them. It is, however, interesting to note that the decisions of the courts have protected the position of the employee and sought to reduce the damage deriving from unemployment. Thus, in the case of a contract for a specified period, an employee dismissed before the date specified has a right to compensation calculated on the basis of the degree of his unemployment risk (Central Commission, 24 January 1927). Furthermore, sudden dismissal is contemplated only in exceptionally serious cases. Lack of capacity on the part of an employee does not enter into this cate-

gory, but he retains the right to due notice and compensation (Central Commission, 3 January 1927), though naturally this principle does not apply to probationers. Compensation granted by employers to employees on dismissal is a form of social assistance for which, however, the employee who gives notice on his own account is not eligible (Court of Cassation, 2nd Section, 21 December 1927).

The delicate point in the question of compensation for dismissal lies in the evidence supplied in bad faith by employers and employees. The law fixes certain limits, but it is left to the discretion of the judges to ascertain whether the employer has placed the employee in such a position as to oblige him to leave, or whether the employee, although not rendering himself liable to a disciplinary measure such as immediate dismissal, has in fact made it impossible for the employer to continue to utilise his services.

Legal Obligation to pay agreed Retribution.

The employer is bound in the first place to pay over the agreed retribution. Non-observance of this obligation renders the employer responsible for a breach of contract and is equivalent to unjust dismissal (Central Commission, 26 November 1926; Central Commission, 3 January 1927; Central Commission, 14 January 1927).

The protection of the worker is the constant aim of Italian corporative legislation, so much so that a contract of employment is considered as valid, in respect to the staff, even in the case of the bankruptcy of the firm (Court of Padua, Labour Section, 23 January 1930).

In Italian legislation the rights of the workers have been always maintained as regards payment for overtime. In fact, payment for overtime is considered an indefeasible right, subject to the five years' prescription (Turin Court, Labour Section, 2 March 1929). Naturally, overtime work done by the directing staff, which is not bound to a specified schedule of working hours, is not necessarily subject to compensation except in cases of express agreement (Court of Cassation, 2nd

Civil Section, 7 July 1930). It is generally held that overtime work represents a certain benefit to the employer. If, however, this work is performed by the employee at his own request and in his own exclusive interests, it is not subject to compensation (Pretura of Mede, Labour Section, 12 March 1930).

IV. SETTLEMENT OF COLLECTIVE LABOUR DISPUTES IN ITALY

§ 1. The Italian Labour Court (*Magistratura del lavoro*) is an organ of jurisdiction brought into being by the corporative reform. As has already been seen, the syndical associations of employers of labour and of manual and intellectual workers are legally recognised by the State. They are the legal representatives, within their own territorial areas, of all the employers and workers of the category they represent. They have the legal right to conclude collective labour contracts and to appear before the courts on behalf of all workers and employers of labour. The Labour Court represents the organ by which the State intervenes for the settlement of labour disputes whether relating to the observance of the agreement or of other existing rules, or whether to the establishment of new labour conditions.[1]

The Labour Court is established as a special section of the Court of Appeal of the Kingdom and hence there are in Italy sixteen Labour Courts corresponding in number to the courts of appeal now existing. The Labour Court has five members, a President of Section of the Court of Appeal, two Councillors of the same Court and two members who are experts on problems of production and labour. These experts are chosen from a special panel, formed for the purpose within each Court of Appeal. The method of establishing this panel is as described below.

Constitution of the Labour Court.

At the beginning of each year the President and the

[1] Rameri, *Le Assicurazioni Sociali*, Vol. 2, 1928, p. 46.

two Councillors, who are to sit on the special section of the Court of Appeal, are appointed by the same Royal Decree which designates each section of the Court of Appeal. The first President of each Court of Appeal will appoint by decree the members of the panel, who will be called upon to act on the special section in the cases to be debated during the legal year.

Competence of the Labour Court.

The Labour Court delivers judgment: (1) in ordinary cases arising out of disputes concerning collective labour contracts whether referring (*a*) to collective contracts already existing, (*b*) to the drafting of new collective contracts, or (*c*) to the introduction of modifications in existing collective contracts; (2) in cases of appeal in disputes concerning individual labour contracts.

It is to be noted that for a dispute to be collective the fact that it concerns a collective contract and its rules is not sufficient; it is necessary that the common interests of the persons belonging to the corresponding occupational categories shall be affected.

Its Juridical Character.

The Labour Court is a tribunal of mixed character inasmuch as, in addition to the technical judges (experts), it has ordinary judges in accordance with the character and guarantees of the ordinary courts. Modern tendencies require specialised judges, inasmuch as the complexity of relations in law calls for special technical knowledge, not always to be found in all magistrates.

The presence of technical judges is required sometimes by the very nature of the case in dispute, in other cases by the call for a procedure more rapid than that customary.

The so-called special jurisdiction has been subject to many criticisms and to much opposition. Particular objections have been raised to the disadvantages due to the vast field of jurisdiction and to the probability that the members, as compared with those of the ordinary courts, will be less independent and their impartiality less unimpeachable.

The Italian solution, in the case of collective labour

disputes, tends to harmonise the necessity for a technical and rapid decision with the guarantees of impartiality provided by an ordinary tribunal. The Labour Court is called upon to decide on questions of general interest. The principles followed in the application of the law in individual disputes appear inadequate when applied to the problems which come before the Labour Court. The principles followed in the procedure of the Labour Court aim at expediting, as far as possible, the settlement of the dispute. The suspension or any chance of disturbance in productive activities must, in fact, be minimised as far as possible. Thus the parties may appear in court themselves or be represented by an attorney, or they may obtain the assistance of a barrister or of technical advisors. Application for a judgment on collective labour contracts is made by petition specifying: (*a*) the association which makes the application; (*b*) the association against which the application is directed; (*c*) the motives and object of the application; (*d*) the deeds and documents on which the application is based. The petition is lodged with the chancellery of the Court of Appeal.

The President of the Labour Court, within twenty-four hours of the receipt of the application, will fix the date of hearing. The petition may be lodged by the Public Prosecutor and in this case must specify the interested associations, the deeds and documents on which the application is based and the conclusions of the Public Prosecutor on the motives and object of the dispute.

Method of bringing an Action.

The procedure at the first hearing is that described on page 70 and is the same as for individual controversies.

When the magistrate settles a dispute either entirely or in part he pronounces a judgment. When the Labour Court pronounces judgment on matters concerning new labour conditions, the sentence is of a legislative character, inasmuch as it formulates the terms of new collective contracts. They do not constitute, in fact, veritable single labour contracts, but abstract and new

juridical rules which become valid for all parties concerned. The judgment on collective relations affects all preceding judgments relating to individual labour relations which have become executive.

When the Labour Court decides on individual relations as an Appeal Court, such decision is valid only for the parties directly concerned.

Panel of Experts.

As regards the panels of experts, only Italian citizens, who have completed twenty-five years of age, are of the highest and most irreprehensible moral and political character and hold a University degree or its equivalent, are eligible for inscription. As regards academic qualifications, exception may be made in favour of persons who are recognised as having special competence in a particular field. Proposals for empanelling citizens are made to the competent central corporative organs by the Provincial Economic Councils for each province. The persons proposed are classified in groups or sub-groups, according to the several types of business or industry carried on in the district served by the tribunal. The First President of the Court of Appeal, upon receipt of the nominations, prepares the panel of citizens appointed to function as expert advisors. This list is posted up at the offices of the Court of Appeal and of the Prefectures of the district for a period of fifteen days. Within this period each of the legally recognised associations may file a protest against the composition of the panel. Such protest is notified to the interested parties and is adjudicated by the Court of Appeal at a joint session in the Council Chamber.[1] Appeal to the Court of Cassation against the decision of the Court of Appeal, on grounds of a violation of law, is allowed within a period of fifteen days.

The prescriptions of the law have in practice been followed very scrupulously in the formation of the panels

[1] The members of such joint session are the First President, the President of the special section acting as a Labour Court and five Councillors of the Court, two of whom must be attached to the Labour Court and three to the First Section, appointed by the First President.

of expert advisors. These panels must, in fact, include the names of the persons most capable of exercising the functions of expert judges. Thus the Court of Appeal[1] decided that any protest against the formation of a panel of citizens called upon to act as expert advisors in the Labour Court is liable to examination, even if the appellant abandons the protest. This sentence, which is open to criticism from a purely legal standpoint, is inspired by the consideration that the legitimacy of the panel is a question of public interest. The Court of Appeal, therefore, endeavoured to provide the syndical associations with such expert judges as in their opinion are the most suitable for the purpose, independently of any renunciation of the appeal by the parties concerned.

Thus, the Court of Cassation, sitting in joint session, decided (sentence of 28 April 1928) that the protest against the formation of the panels of expert advisors might be made either for the exclusion of one or more persons included in the panel, or against the admission to the case of persons not included in the panel. This decision was intended to secure that the panel shall be, as far as possible, sufficiently numerous and so constituted as to ensure that the judges shall have the best and most generally competent assistance.

The President of the Labour Court appoints the expert advisors for each particular question, choosing them from the list formed by the First President. On request of the President of the Labour Court, this list may contain one or more experts outside the sectional, but included in the general roll. Expert advisors are entitled to an indemnity for each sitting of the court they attend.

Parties in the Case.

Only legally recognised associations can take action in disputes arising out of collective labour relations, and such associations have the syndical monopoly in cases of collective disputes. They represent, in fact, all the workers and the employers respectively, even if they are not actual members of the association. Consequently the *de facto* associations may not

[1] Judgment of 30 December 1927.

take legal action on behalf of their respective categories, just as they may not stipulate collective labour contracts. If in any given district there exists a *de facto* but not a legally recognised association, a special trustee must be appointed to act as legal representative of the category.[1]

When the magistrate of the Labour Court is called upon to interpret collective contracts, he must follow the principles of the new legislation and take always into careful consideration the interests of public utility and of production in general, rather than follow the principles by which he would be guided in applying the law to the relations between private individuals. In the formulation of new conditions of labour, the judge must harmonise the interests of the workers with those of the employers, while at the same time taking due care to provide safeguards for the higher interests of production. Here the judge is free from special rules of positive laws and formulates the new contract in the light of considerations of an economic character, being guided only by equity, i.e., "having due regard to the necessities of individual and social life, which have arisen in a given historical period. These necessities, in practice, differ from those that a law enacted in different circumstances and with different precedents, could possibly have sanctioned."[2] This conception of equity is evidently inspired by practical, not to say pragmatical, principles. To harmonise the interests of the employers with those of the workers is a most arduous task, requiring such a knowledge of economics as is seldom possessed by a magistrate. The true position of a business enterprise, the productivity of a worker, the contribution of the capitalist or of the employer are difficult matters even for an experienced economist to define. The decision is necessarily bound up with different contingencies, which sometimes include political reasons as, for example, when in order to harmonise the dualism of the economic

[1] D'Amelio, *Le Assicurazioni Sociali*, Vol. I, 1926, p. 4.

[2] De Martinis, *Le Assicurazioni Sociali*, Vol. II, 1928, p. 62.

forces of capital and labour, according to the rules of the corporative ethical and social doctrine, the State is placed over and above any class distinctions. When the State stands over and above all rival classes and is considered as a single and separate organism, varying its point of view in accordance with the play of international economic forces, it is evident that the conflicts between one productive category and another arise with less frequency and find their settlement with relative facility. In fact, the intervention of the Government excludes the possibility of any considerable advantage to a category in conflict. If a group of employers or of workers obtains some special advantage it is not of long duration, and subsists only for so long as it appears to be consonant with the welfare of the country. Many disputes, which might have developed in a different historical atmosphere, have been settled at the very start, seeing that the lines which the arbitrator would have followed, given the general economic conditions, were very clear.

Concrete Cases brought before the Labour Court as a Tribunal of First Instance.

§ 2. The legal structure of the Labour Court has only on a few occasions been put to the test. The legislative work of the Court has been in general forestalled by the stipulators of the new labour contracts, nor, in present circumstances, is it probable that this court will be kept very busy. Sitting as an Appeal Court, the Labour Court has functioned on various occasions and will probably function more often when decisions on individual disputes are taken in accordance with corporative principles. By preferring local uses and customs, and the pre-existing contracts to these principles, with a view to favouring the weaker party, the character of the law that has been created according to modern views becomes modified. However, in drafting the new codes, many gaps which practice has shown to exist in the rules for the legal settlement of labour disputes, will be eliminated.

The precise reason why the Labour Court has only on a few occasions functioned as a court of first instance

lies in the fact that its procedure makes it possible to arrive at a conciliation between the parties. This conciliation is all the more easily reached inasmuch as the parties are convinced that the State, as impartial arbitrator, will always endeavour to effect the settlement of the dispute by making an equitable apportionment to the parties.

Case of the Rice-weeders.

Worthy of note, not only for its economic but also for its legal importance, is the judgment delivered on 19 July 1927 by the Rome Labour Court. A dispute arose between the landowners of the Po Valley and the workers engaged in rice-weeding. The owners, represented by the National Fascist Confederation of Farmers, wished to reduce the wages of the workers on the rice-fields as arranged four months previously with the National Confederation of Fascist Syndicates, representing the workers. The owners based their request on the agricultural depression which had characterised the later months and the consequent fall in the price of rice. They also asked that the reduction in wages should have a retrospective effect. The case appeared to be of special interest, not only for the question of reduction of wages and the question of the date of its application, but also for other details of procedure. The questions to be settled were : (1) whether the collective labour contract stipulated between the two associations representing farmers and workers was legally valid, inasmuch as the contract had not been stipulated and registered according to the rules required by law; (2) whether any action could lie for the revision of collective contracts regulating seasonal rather than continuous work.

The Labour Court decided: (*a*) that the contract stipulated by the representatives of associations legally recognised has a legal value in so far as the associations themselves are concerned or for any affiliated organs, independently of the fulfilment of the rules of publication and publicity above specified; (*b*) that revision is permissible for any contract concerning any kind of work, inasmuch as the syndical law does not contemplate

any limitation in the matter; (*c*) that the new conditions in question should enter into force as from the moment when any possibility of conciliation was excluded since it was most difficult otherwise to establish with certainty a date from which the reduction in wages should become operative.

As regards the merits of the case, the judge declared that at the present time such changes were taking place in the economic conditions of rice-growing in Italy, as justified a reduction in wages, but not to the extent requested by the owners. The reduction granted was in fact at a rate far lower than that requested by the owners and in the upshot this sentence was considered as a victory for the workers.

Cases settled before the stage of Legal Decision.

Important legal actions, but which never reached the stage of a decision as, in the meanwhile, the parties had come to an agreement, were brought before the Labour Courts. Most typical are the issues raised by house porters and seamen when the question of a national contract for their respective categories was under consideration.

The National Syndicate of House Porters submitted, in February 1928, through the President of the National Confederation of Fascist Syndicates, an appeal in which they asked that a collective contract should be arranged for their category, and to this effect submitted a draft for the approval of the court. The requirements of the house porters included the appointment of a trustee representing house-owners throughout Italy, inasmuch as there was as yet no legally recognised syndical association of house-owners in existence, with which the house porters could deal in all questions. Without any compulsory intervention on the part of the magistrate, the National Fascist Federation of House Property Owners, which was recognized on 17 January 1929, met the Syndicate of House Porters and on 8 April 1929 concluded a contract based on the following principles: (1) delimitation of the field of the application of the contract; (2) definition of mutual rights and duties

according to the terms of the Labour Charter; (3) limitation of the National Labour Contract to such special characteristics and elements as are common and essential to their particular kind of work.

The seamen submitted to the Court at the beginning of 1930 an appeal containing a request for the drafting of a collective contract with the shipowners. The most important questions which divided shipowners and seamen were the two following: (*a*) choice of the type form of normal enrolment; (*b*) determination of the number of persons of which each ship's crew shall consist. As regards the first question both shipowners and seamen were agreed in preferring the contract with no fixed time limit and only differed as regards the question of compensation and of notice of dismissal in case of termination of contract. As regards the second, while the owners insisted on retaining full freedom for the organisation of the work on board, the seamen claimed that this freedom should be regulated by means of the working time-table. Owing to the fact that general conditions in seafaring work are much too varied to allow any uniform application of a law to each individual, it was decided to defer all decisions in this matter to Commissions in which the ultimate decision would be reserved to the maritime authority.

Towards the close of 1930 the shipowners and seamen succeeded in coming to terms and a collective contract was arranged.

Cases regarding the Validity of Collective Contracts.

In 1929 and 1930 the Labour Court, as a court of first instance, dealt also with questions concerning the validity of collective contracts. This question has often given rise to disputes as a result of the different interpretations of which the law is susceptible. Thus the Labour Court of Ancona, by a sentence dated 22 May 1929, determined that the local wage-earners' contract, stipulated under a national contract, though dealing only with the wages of the workers, must also indicate the duration of the contract itself in the same manner as

the collective contract. The omission of such indication renders the contract null and void.

In August 1930 the Bari Labour Court was called upon to decide on the validity of collective contracts: (*a*) when they do not clearly specify that the attempt at conciliation has failed to bring about an agreement; (*b*) when they do not indicate the period of duration; (*c*) when they are not signed by the legal representatives of the contracting associations. The sentence of 13 August 1930 decided that the first point is not legally valid inasmuch as the explicit declaration that an agreement has not been reached is not necessary; it is merely sufficient to prove that the syndical and corporative organs have duly considered the point in dispute. As regards the second point, the indication of the period of duration was deemed indispensable for the validity of the contract. As regards the third, the persons signing a collective contract must also be the legal representatives of the contracting associations; otherwise the contract is considered null and void.

The above considerations clearly show that the Labour Court intends, in carrying out its functions, to follow a single coherent line of conduct in order to stabilise labour conditions in Italy, and to devote more attention rather to the substantial than to the formal aspects of the questions raised. The formal side received special attention from the Labour Court when the question was to establish a fundamental basis for the validity of the contract.

V. PENAL LABOUR LAW

The Strike.

§ 1. Abstention from work on the part of the workers and lockouts on the part of employers of labour are considered by Fascist legislation as an arbitrary exercise of individual pretensions harmful to the interests of the national commonwealth. The prohibition to take the law into one's own hands, which is now a basic principle of modern law, has been emphasised,

so that strikes and lockouts constitute, in Italian legislation, crimes punishable by penal law.

The Italian law of 3 April 1926, No. 563, Art. 18 *sq.* and the Royal Decree of 1 July 1926, No. 1130, Art. 85 *sq.* show that the strike is a penal offence when three or more employees or workers leave their work, by preconcerted agreement with the object of obtaining from their employers changed labour conditions, or of coercing the will or of influencing the decisions of a department or organ of the State or of a Government official. As regards civil servants, or persons employed in other public bodies or enterprises providing a public utility service, it is sufficient that their object is to coerce the will or to influence the decisions of a department or organ of the State, Province or Commune or of a Government official. Not only abstention from work but also work performed in a manner likely to interfere with its continuity or regularity are considered as cases of strikes. Where lockouts and strikes are accompanied by threats or violence special penalties are imposed, as also on the leaders, promoters and organisers of such strikes and lockouts.

The Lock-out.

§ 2. The lockout is a penal offence when employers of labour suspend work without justifiable motive, and for the sole purpose of obtaining from their employees changes in existing labour contracts, or with the object of coercing the will or influencing the decisions of a department or organ of State or of a Government official. For persons directing a public utility or essential service, the attempt at coercing the will or influencing the decisions of a department or organ of State, Province or Commune or of a Government official is sufficient.

According to Italian law strikes and lockouts are prohibited even if the parties concerned are not members of legally recognised syndicates, or even if particular collective labour contracts have not been concluded. Strikes and lockouts are considered as such only when a business is large enough to be considered an establish-

ment in the true sense, and never when it is a purely individual enterprise. Persons responsible for public utility or public necessity services are exempted from this restrictive interpretation inasmuch as the suspension of such activities brings about a disorganisation of civil life. Strikes and lockouts are punishable when there is no justifiable motive, and it is the intention to use these means as an instrument of class struggle and of class defence.

§ 3. The Italian Labour Courts show an important degree of uniformity in the interpretation of the rules concerning the strike and the lockout. Owing to the fact that the strike is subject to penal sanctions, the court has been rather restrictive in its interpretation. Thus the strike has not been considered a penal offence when workers have delayed to work pending the results of a meeting of a Commission appointed for settling new labour conditions with the management (Pretura of Abbiategrasso, 28 November 1928).

Notes on the practice followed in Italian Law. The Interpretation of the Court.

In some cases the interpretation of the judge has disregarded the strict rules of law and frequently taken into favourable consideration the motives that induce the workers to suspend work. Thus, workers who abandoned work on grounds of solidarity with other workers who had been unjustly punished, have not been considered as strikers by the Tribunal (Tribunal of Campobasso, 2nd Penal Section, 22 November 1928). If, on the other hand, account is taken of the severity of the judge in cases of strikes or lockouts with an economic or political object, it is to be noted that the penalties inflicted were much milder when the object was of an economic order. Thus, in the case of an employer who declares a lockout as a protest against an order on the part of the *Podestà* for the payment of a labour tax, the judge has considered such lockout as having an economic purpose (Florence Tribunal, 3rd Penal Section, 2 March 1929).

Cases of Solidarity with other Workers.

Strikes with political objects have been judged with great severity, as when, e.g., several drivers of public vehicles ceased work as a protest against an order of the *Podestà* (Court of Cassation, 1st Penal Section, 8 February 1929).

Suspension of Work for economic or political motives.

It is evident that, being a question of penal laws, the interpretation of the rules against the strike should be restrictive. The magistrate, however, has not considered as strikers persons who have ceased working because they interpreted as dismissal the negative reply of the employer to their request for a modification in the agreement (Tribunal of Viterbo, 23 August 1929).

The new Italian labour laws, after establishing the conditions that give rise to strikes or lockouts, provide penal sanctions for the parties responsible. Pecuniary sanctions are inflicted if the strike or the lockout is unaccompanied by physical or moral compulsion or violence ; graver sanctions, including imprisonment, are inflicted in cases where violent action is taken. That these laws have had good results is shown by the statistics of strikes and lockouts in Italy from 1920 onwards. The efficiency of the Fascist Government is undoubtedly a factor in inducing the workers and employers to abstain from declaring a strike or lockout. But a more potent influence than the fear deriving from the certainty of seeing applied certain sanctions in case of strikes or lockouts is considered to lie in a new realistic spirit among the producing classes, tending to the view that vocational disagreements should be amicably settled. Further, the producing classes realise more clearly every day the public importance of their functions and hence, through their legal representatives, their attitude is such that only in exceptionally difficult cases is the State called upon to intervene to safeguard public interests. Thus the law keeps abreast with the spirit of the age. It contemplates sanctions where certain determined offences are committed and reflects the true factor of the situation. Strikes and lockouts in a period of fuller economic con-

sciousness on the part of the producing classes are methods that are rather punishable than tolerable.

It is not claimed that the adoption of such a law as the Fascist will eliminate strikes and lockouts altogether. The law, being a consequence of a general assent to the aforesaid principles, reduces the frequency of recourse to these forms of class struggle and inflicts penalties should they occur.[1]

[1] See Tables on Strikes and Lockouts in Appendix B.

CHAPTER IV

CORPORATIVE ORGANISATION—THE CORPORATIONS AND THE NATIONAL COUNCIL OF THE CORPORATIONS

I. THE CORPORATIVE SYSTEM AS A DEVELOPMENT OF SYNDICALISM

The Syndical Association and the Corporation.

§ 1. THE tendencies and provisions which have already been described in the case of the Occupational Associations illustrate one aspect only of the reform desired by Fascism. The organisation of the various categories concerned with production into their mutually independent syndical associations has already become a characteristic feature of the new syndicalism in contrast with the socialistic and revolutionary syndicalism which takes as its point of departure the conception of the inevitability of a violent struggle between employer and employed. The Fascist State encourages and gives its support to the establishment of occupational associations for every category and seeks to set up a proper balance between the producing classes by putting itself above the various groups. The State tendency is to maintain its position of superiority in regard to the various groups by reabsorbing them in itself, by exercising a moderating influence in their disputes and by protecting their interests. The State wishes to act as an umpire who, in every decision and in all circumstances, takes into account the interests of the Nation, conceived as an indivisible whole dependent on certain fixed postulates of a political order. The difference, however, between Fascist Syndicalism and Syndicalism in the ordinary acceptance of the term is not limited to a question of

method—namely, the adoption or otherwise of violence as a means of resolving the contrast of class interests. Fascist Syndicalism, after the various categories have been grouped in the occupational associations by which they are represented, sets out to devise the machinery which will allow effective collaboration.

The characteristic of this new syndicalism is thus not so much its concern with the tone of the relations of the producing classes as with the possibilities of the institutions which are at their service. Its problem is not restricted to the method of organising masters, workmen, etc., but is more particularly concerned with securing collaboration as between the various categories of producers in each particular trade or branch of productive activity. In the light of this concept the two important features in Fascist syndical organisation are clearly revealed. The first of these is the enrolment of the various producing categories with due regard to their qualifications as employers, employed, etc.; the second, the combining of producers in State-recognised bodies, in which they are grouped according to the branch in which they are engaged, that is to say, as employers and employed in industry, commerce, banking, etc. Hence, while the Confederations are associations of higher grade in which the various associations of the grade which comes immediately below are united, limited always to persons occupied in a certain specific branch, the Corporations are the bodies which enable the State to make use of the producing classes and categories for the purpose of bringing about the development of national production.

In order clearly to understand the exact relation between the syndical and the corporative organisations respectively in the detailed programme of Fascism, the idea of a vertical and of a horizontal form of structure may be found helpful. The Provincial Unions, the Federations and the Confederations may be said to be constructed on vertical lines, inasmuch as they incorporate individuals and the occupational associations in

which they are enrolled according to their trade or calling, employers and employed being always separately grouped. On the other hand, the National Corporations and the National Council of the Corporations, which will be discussed in detail later, proceed on horizontal lines, since they incorporate the combined factors in production, grade by grade, in accordance with its qualitative subdivisions but without any differentiation as to occupational status, i.e., as between employers and employed. The corporative organs referred to cause the factors in production to come together on a footing of equality. Thus there arises the question how do the purposes of the syndical associations differ from those of the Corporation.

It is the purpose of the syndical associations to obtain equilibrium and peace in social relations through an organisation of the various classes of producers and a control over their relations with each other. The purpose of the Corporation is the protection of the national resources and the development of the forces of the country through the contact of the different factors in production raised to the dignity of organs of State. According to the principles as at present laid down by the legislator, the Union, and generally the syndical association, is required to function in a sphere predetermined and clearly delimited, wherein are included such duties as the arrangement of collective contracts, the organisation of the Employment Offices, the settlement of labour disputes, the work of social assistance and benefit, vocational training, etc. The Corporation on the other hand, whether in integrating the social activities of the syndical associations in the field of the relations between the producing categories or, e.g., of measures for dealing with the problem of unemployment, or in carrying out its own special responsibility for the development and control of national production, is free to work along lines not materially restricted by definite legislative provisions.

§ 2. While syndical action pursues a course precisely

Originality of the Corporative solution and necessity for guiding principles in the development of the National Economy.

defined as regards aims and means, which have been specifically predetermined, corporative action launches out into vastly wider fields, which are extremely hard to reduce to a common denomination or to bring under any system capable of abstract definition, by reason of the dynamic character of national production and of the shifting character of the methods used in the exploitation of a large part of the natural resources of the country. There need be no surprise at the existence of so marked a difference in form between the principles underlying syndical and corporative organisation respectively, when account is taken of the remote historical origin of the provisions characteristic of syndicalism as contrasted with the recent character of the corporative solution. Fascism has adapted to the new requirements of its programme a number of points from the code proper to revolutionary and classical syndicalism, but the code in the Corporative State is an altogether new creation, drafted in too short a space of time to allow that in its present form it can give any impression of finality. Apart, however, from questions of chronology, this difference in form leads to considerations of far deeper significance, having reference to the structure which it is the purpose of this code to set up. The main object of Fascist Syndicalism is the attainment of social peace, and hence it simply constructs machinery for the solution of the social problem in the best way possible, always keeping within the bounds of the law; on the other hand, the underlying causes, giving rise to the divergencies which bring the social problem into prominence, lie outside its competence. The special function of the corporative system becomes clearly indicated in connection with the determination of these underlying causes. The relations of the various categories of producers depend upon the course of production and the economic development of the Nation as a whole. The State itself endeavours to ascertain the internal requirements of the country and,

on the basis of its appraisement of these requirements, seeks to organise the different categories concerned in production on the lines of a general scheme of collaboration. The influences which bring about divergencies between different classes are frequently to be discerned in phenomena which transcend the boundaries of any single State, being of an international and economic character and tending to raise or depress the standard of certain groups in the producing classes throughout the world. Side by side with the influences in the international field, others there are which are more particularly characteristic of each individual State and, even though there may be a close interconnection, these latter may be studied as independent phenomena and in their particular manifestations in any given country. The various problems of production, of consumption and of the export trade are, in these circumstances, considered from the point of view of national interest, taking into account alike those interests which are called immediate and those which, although not clearly revealed in their first effects, tend to modify and sometimes entirely upset the first approximate or temporary calculations. Taking this view of the corporative system, many conceptions, connected with capitalistic economy and regarded from differing angles by the various schools of collectivism, must be taken into consideration and adapted to the new structure which is being tried out in Italy. The principle of private initiative, which Fascism looks upon as a most effective and valuable instrument in the service of the national interest, is in no sense abrogated in the corporative movement, but combined with an idea of responsibility as regards the State in the matter of production. This attitude is based on the hypothesis, that when once the State has determined their respective rôles, all categories will actively pursue the appointed goal and that private enterprise will be bound to follow the same course, if it desires to continue to enjoy that liberty of direction and initiative in the organisation of its undertakings

which has been guaranteed to it by the legislator on these terms.

The necessity for a plan which comprises in harmonious gradations the economic life of the nation is growing increasingly evident. The object of the corporative organisation is to supply this need, to judge by its present structure rather than by its actual working. Too short a time has elapsed since the legislation dealing with the Corporations was promulgated to allow an opinion to be expressed as to the degree to which the various institutions satisfy the purposes for which they were established. These purposes, moreover, although adumbrated in the essential features of the law, have not so far been specified precisely, a fact which shows how largely the system is capable of development and fuller definition.

Attempts at definition have not been wanting on the part of students and especially of those who took part in drafting the law under discussion. Without, however, entering into a detailed analysis of the various proposed interpretations, it would appear that they are rather inspired by a prevailing desire to adapt the corporative system to existing institutions than by a desire to settle the difficulties arising from present conditions by means of this new system. Only through a continuous effort to adapt the means to hand to the facts of the case is it possible to obtain material progress in the economic and political field. For the purpose of giving a clear explanation to the reader of the true function of the corporative system, it is of no great value for him to know that, in the opinion of certain authorities, a Corporation is in the nature of a council of experts with functions of a consultative character or merely of making suggestions for legislative measures to such bodies as are really competent to discuss them and to make them public. Nor would much light be thrown on the wide field of activities prescribed by the Fascist legislator for the corporative scheme by the statement that it is effectively an official means of organising the labour

market. In the face of conspicuous changes in the economic systems hitherto prevailing in many countries and in face too of the difficulties involved in many of the prevailing methods of production, it was impossible for the Italian legislator to limit himself to the establishment of institutions, which would carry out their work in a purely theoretical and advisory sphere or in a sphere limited to a socialistic conception of class and distribution problems. The problem of production and of the co-ordination and organisation of the means of production is so important that it cannot be ignored by the new system. Insurmountable difficulties in a revision of methods of production are not to be found among the classes actually engaged in the process. It should be observed that, after the embittered period immediately following on the war, there has been a general diffusion among the working and directing classes of a mentality much more prone to forbearance and compromise, while at the same time far from complacent and restive under dictation from above. Systems of distribution show a trend in the direction of types which differ essentially from those which are characteristic of a capitalistic system, and the influence of the mass of the workers becomes increasingly visible in the play of economic forces. The manifestation by the producing classes of a disposition favourable to agreements implicitly facilitates experiments with new solutions, which affect the whole rhythm and progress of production. Up to the present the corporative system has dealt only with certain phases of the problem with results that have been noteworthy but not definitive, as for example in the field of the regulation of foreign trade and also in certain branches of agricultural production. In the view of the present writer, however, the work that lies before it is of a quite different and far more comprehensive character. In order to be an economic system suitable for present-day requirements, it must attain to such a stage of efficiency as is required for the solution of the difficulties by which the modern economic world

is faced. In the light of so arduous a task the necessity for widening the powers, developing the specialisation and the competence of the bodies made responsible for the control of production emerges, as also the necessity for a clear definition and determination of the ends in view—ends which are probably not definitive but represent stages only, being as it were steps along a certain economic road. Solely through the adaptation of the means to the ends proposed is it possible in the course of time to secure tangible results.

Characteristic features of the Corporations.

§ 3. The basic law of 3 April 1926 on the legal regulation of collective labour relations, which, as has been seen, lays down the principles to be followed in establishing occupational associations, contains but a brief reference to the Corporations. In Article 3 it is stated that "Associations of Employers and Associations of Workers may be combined by means of *central liaison organisations* with higher officials common to both, provided that the separate representation of employers and workers is always maintained." These words show clearly that a combination of employers and workers in the same industry or branch of activity was in the first instance mentioned as a possibility and that the new institution of the Corporation would be based on a mere principle of inter-syndical grouping. This theory of a co-ordinating body could not fail to be developed later in the provisions for giving effect to the law. Herein the concept of the Corporation is more clearly brought out and two fundamental characteristics are made evident, namely: (1) that the Corporation is national in character; (2) that the Corporation has no legal independent personality but is an organ of the State Administration. Hence the Corporation becomes defined as a body which links up the syndical associations of the various factors in production, employers and intellectual and manual workers for a particular branch of production or for one or more particular categories of business enterprises.

The Corporation is constituted by decree of the Minister of Corporations. This decree lays down: (1) the purposes which the Corporation is appointed to fulfil; (2) the powers with which the Corporation is vested for fulfilling these purposes; (3) the minor bodies of which the Corporation is composed; (4) the methods of and qualifications for appointment to membership in these bodies; (5) the specific attributions of these bodies.

Objects and powers of the Corporation and the Organs through which it works.

§ 4. The object of the Corporations is: (1) to examine and to endeavour to discover, in a manner concordant with the interests of the national economy, the solutions of problems relating to the productive activities of the various organisations brought together through the Corporation itself; (2) to secure a permanent collaboration between employers and workers concerned in the branches of industry referred to above, harmonising so far as possible the interests of the various participating classes with the development and betterment of national production.

The powers which a Corporation is required to exercise are various and include: powers strictly syndical in character, such as the regulation of training and apprenticeship, as also inter-syndical powers, such, e.g., as the settlement of disputes arising between the combined organisations and the issue of regulations relating thereto; powers properly corporative in character, that is, powers relating to the corporative organisation of production and hence to the encouragement and support of movements designed to further such co-ordination and organisation; specific powers as regards the control of labour supply and demand, including the establishment of labour exchanges, where required.

The organs through which a Corporation works are the President and the Council. The President is appointed and dismissed by decree of the Minister of Corporations. The Council consists of representatives of the organisations grouped through the Corporation.

Within the Council the numerical representation of the employers' organisations must be equal to that of the organisations of workers, intellectual and manual alike.

As the law has only recently been published, it is not easy to determine after so brief a period of practical working what are the exact functions of the President and of the Council in a Corporation. From the examples at present available, and in particular the case of the Corporation of the Stage, it seems that the functions of the President are mainly administrative. Apart from his power to initiate discussions in the Council, the President appears to be a kind of liaison officer with the Minister of the Corporations and the Council. The Council of a Corporation is mainly a consultative body in regard to questions directly affecting the Corporation itself. The decisions of the Council of the Corporations may have a regulative force in matters relating to conditions of service in the organised categories, when the syndical associations to which these categories belong express their agreement with their terms.

The above statement shows clearly that a Corporation maintains its independent existence alongside of the syndical associations, but at the same time that the boundary line between the two institutions is not clearly drawn and that up to the present their respective functions have not been precisely defined. The objects of the Corporations are to some extent curtailed by the large number of the duties reserved to the syndicates, while those that really seem specifically to belong to the new institutions have not yet been established effectively. The only resolutions of a Corporation that have a directive effect require the previous support of the syndical associations.

II. THE NATIONAL COUNCIL OF THE CORPORATIONS

§ 1. The corporative organisation only began to manifest its independence in 1930. Previous legislation had instituted bodies having functions of liaison such as the National Corporations and made provision for the establishment of a body with far-reaching powers in a National Council of the Corporations. This Council was regarded as an administrative body in which membership was conferred by ex-officio right on a number of persons of high rank selected from the higher officials of the various Ministries, as also on representatives of the various Confederations and semi-official institutions, including the Workers' Leisure Time National Institute (*Opera Nazionale Dopolavoro*), the National Young People's Institute (*Opera Nazionale Balilla*) and the Maternity and Child Welfare National Institute (*Opera Nazionale per la Protezione della Maternità e dell'Infanzia*). The duties of the National Council of the Corporations in its early stages were of a consultative character in regard to questions not very clearly set out and defined, but as a general rule having relation to the Corporations or at any rate proposed by the Minister of Corporations. The National Council of the Corporations, as it figures in the law of 20 March 1930, is a body which has developed on a far broader scale and with better defined functions. The legislator's special care to adapt this organisation to prevailing economic requirements is made evident by the constitution of the sections into which the Council is divided, which reflect the manner in which the various branches of production found their place in the constitution of the syndical Confederations.

Change in character resulting from the Law of 30 March 1930.

§ 2. The National Council of the Corporations consists of seven Sections, corresponding to the typical Confederations already considered in the previous chapter, the representatives of employers and employed being grouped together in each Section. These Sections are as follows:—

Sections and sub-Sections of the Council.

(1) The Section of the Liberal Professions and Arts, divided into two sub-sections, one representing the Professions and the other the Arts;

(2) The Section of Industry and Crafts, divided into two sub-sections, one for Industry and one for Crafts;

(3) The Section of Agriculture;

(4) The Section of Commerce;

(5) The Section of Internal Communications;

(6) The Section of Sea- and Air-Transport, divided into two sub-sections, one for Sea- and one for Air-Transport;

(7) The Section of Banks.

The sub-sections, as regards matters belonging to their particular competence, have equal powers with the Sections and may function independently. When the questions under discussion are of common interest the Sections and sub-sections may combine and hold joint meetings. Whenever these questions concern the whole syndical co-operative organisation of the State and in certain other clearly prescribed cases the Sections of the Council are summoned to a joint meeting known as the General Assembly.

The General Assembly.

§ 3. The National Council of the Corporations meets as a General Assembly twice a year in ordinary session and in special session, whenever a written request is made by the President or by a third of the membership for its convocation for the purpose of dealing with some specific business. These meetings of the General Assembly are open to the public, unless special provision is made by the President to the contrary. The following persons are members of the Assembly of the National Council of the Corporations:—

The Minister of Corporations;

The Minister of Internal Affairs;

The Minister of Agriculture and Forests;

The Secretary of the National Fascist Party;

The Under-Secretaries of State for the Ministry of Corporations and all the representatives appointed by

the Syndical Confederations of employers and employed for their respective sections.

Among the other permanent representatives in the sections the following are members of the Assembly:—

(*a*) On behalf of the National Confederation of Professional Men and Artists, the President of the Confederation together with respectively ten and four representatives of the National Syndicates of the category of Professional Men and of Artists belonging to the sub-sections of the Liberal Professions and Arts, nominated by the Confederation in the manner prescribed by the regulations.

(*b*) On behalf of the National Institute of Co-operation, the President and two other representatives nominated by the Institute from among the members of the sections.

The following also attend the meetings of the General Assembly:—

1. The Vice-Secretaries and a member of the Directorate of the Fascist National Party appointed by the Secretary to the Party;

2. The Heads of Departments of the Ministry of Corporations;

3. The Heads of Departments of the Ministry of Agriculture and Forests;

4. The President of the Workers' Leisure Time National Institute;

5. The President of the National Workers' Aid Society;[1]

6. The President of the Association of Disabled Ex-Service Men;

7. The President of the National Association of Ex-Service Men;

8. A Representative of the General Fascist Association of Public Service Employees nominated by the Association itself;

9. Two Representatives of the remaining Associations specified in Article 92 of the Royal Decree of 1 July

[1] For definition of National Workers' Aid Society, see p. 224.

1926, No. 1130, nominated by agreement among the Associations themselves or, in default, by the Minister of Corporations;

10. Ten persons with special competence in matters relating to syndical organisation, law and corporative economic life and other forms of activity and control of a technical and legal order concerned with production, nominated by the Minister of Corporations.

It is thus clearly seen that the Assembly is not a purely technical body, nor is it the equivalent of a grouping of all the sections, but it includes, side by side with the representatives of the occupational categories, representatives of the State Administration, of the various institutes and associations having patriotic aims or purposes of social welfare and a number of experts on questions of organisation, legal and economic in character.

Special Permanent Commissions.

§ 4. For the treatment of individual subjects of a general and mainly technical kind, the law provides for the establishment of special permanent Commissions—such, for example, as the Trade Commission appointed 28 November 1931—consisting of members of the General Assembly. The duties of these Commissions, their membership and the scope of their competence in relation to the other organs of the Council are fixed by Government ordinance on the recommendation of the Minister of Corporations. Unlike the Sections and sub-sections of the General Assembly and the Central Corporative Committee which will now be described, these special Commissions are merely facultative and not essential elements in the constitution of the Council.

It would appear that their function is to carry out, on behalf of other regular organs of the Council, the work of preparation for the discussions on the particular problems they are required to study. Up to the present, however, no examples of their practical working are available.

§ 5. In addition to its Sections and sub-sections, its

General Assembly and its special permanent Commissions, the National Council has also among its organs the Central Corporative Committee. This body has as its President the Head of the Government or the Minister of Corporations and consists of a limited number of members who are persons holding high political office. They include: the Minister of the Interior, the Minister of Agriculture and Forests, the Secretary of the National Fascist Party, the Under-Secretaries of State for the Corporations, the Presidents of the National Confederations of Employers and of Employed and of independent Professional Men and Artists, the President of the National Institute of Co-operation, the President of the National Workers' Aid Society and the Secretary General of the National Council of the Corporations. The function of this Committee is to co-ordinate the work of the Council, to take the place of the General Assembly for all matters of urgency in the intervals between meetings and to express its views on matters concerning the political aspects of the activities of the syndicates in regard to production and to the moral purposes of the corporative organisation. In the light of the specific limits fixed by the clear definition of the duties of the Section and of the comprehensiveness of the Assembly as a representative body, the Central Corporative Committee stands out as the body best suited for assuming the permanent direction of corporative action. The special function prescribed for the Committee is that of complementing the manifold activities in which the corporative institutions are engaged. The nature of the membership of the Committee gives it a political character so that its decisions represent the official orientation of the corporative system in actual working.

Central Corporative Committee.

§ 6. The above is a brief description of the various bodies which enter into the constitution of the National Council of the Corporations. For the better understanding of the constitutional importance of this body, of its special potentialities in the development of production

Functions of the National Council of the Corporations.

and in the settlement of the relations between the various categories concerned with production as also of the probable development of its functions in connection with future improvements and adaptations, it will be useful to set out the attributions ascribed by the law to the Council.

The duties assigned to the National Council of the Corporations are of a varied character and are stated in the law more by way of examples than with any purpose of laying down precise limits for the competence of the new institution. The functions of the Council vary in accordance with the matter in hand. They may consist in the issue of statements of opinion on the request, in certain cases obligatory and in others optional, of the institutions concerned, in the power to authorise certain lines of action on the part of the syndical associations, in the issue of rules dealing not only with the control of labour relations or with corporative activities related to insurance and social welfare, but also with the regulation of collective economic relations as between the various categories concerned in production.

The issue of Statements of Opinion.

(*a*) Statements of opinion are given by the National Council of the Corporations on a great variety of questions including, for example:—

(1) the enrolment of individuals in the various syndical associations, and of lower ranking associations in those of higher standing, as also all matters arising in connection with enrolment and organisation among the syndical associations or within the Corporations themselves;

(2) the practical application and integration of the principles involved in the Labour Charter regarding production, including those having reference to assistance, development, co-ordination and improvement in methods;

(3) the regional and national co-ordination of placings in employment. Statements of opinion are also requested in a number of other cases as set out in the law and the present list does not pretend to be

exhaustive, but it is not desired to weary the reader with unnecessary detail. As already stated, it is obligatory that the views of the National Council of the Corporations should be obtained in certain of the cases quoted above, as for example: (1) the recognition of syndical associations or the withdrawal of recognition previously allowed; (2) authorisation for the recognition of new National Confederations; (3) appeals presented in the last resort to the Minister of Corporations against the refusal of the admission to a legally recognised association or against the expulsion of a member or any other provision of a disciplinary character, whether relating to an individual or to an association of inferior standing in respect to an association of higher rank. A statement, when obligatorily required, is issued by the National Council of the Corporations at the General Assembly.

Power to authorise the issue of Instructions.

(*b*) The power of authorisation is exercised by the National Council of the Corporations in regard to the syndical category-associations. These have authority to settle scales of payment for the occupational services of their own representatives and to issue regulations of a compulsory character for all members of the particular category. This power of authorisation relates to regulations which have validity within each occupational category and must not be confused with regulations in the matter of collective labour contracts, whereby the rates of the personal remuneration of the workers are fixed by agreement with the employers.

The issue of Regulations.

(*c*) The most important function ascribed to the National Council of the Corporations is undoubtedly that of issuing regulations. This body has in fact the power of laying down rules:—

(i) for the co-ordination of the various forms of social assistance work carried out by the legally recognised syndical associations or by institutions having kindred purposes;

(ii) for the co-ordination of all the regulatory

activities of the Corporations and in particular of the various regulations which are involved in labour relations determined by collective contracts or settlements of a similar nature;

(iii) for the regulation of the collective economic relations between the various categories concerned with production, represented by duly recognised syndical associations.

This last function places the National Council of the Corporations in a position in which it can exercise very considerable influence upon the development of the means of production in the national economic life of Italy. Through the syndical organisation the stream of activities of the occupational associations has been brought within limits but without changing in any fundamental way the tendency on the part of the producers to form associations. Through the law on the Corporations the various occupational categories have been enabled to meet at any time in order to take decisions on matters of common interest. By vesting the National Council of the Corporations with responsibility for issuing regulations regarding the economic relations between the various categories concerned with production, a transformation is brought about in the economic institutions as previously conceived, through the introduction by the Government of a voluntary and effective element in the play of the contrasting interests of the various classes. This is not the place to show how far this provision is in harmony with the most modern tendencies in the economic field. Here it is merely necessary to call attention to its existence and to emphasise the importance of the fact that, with the decline of confidence in the theory of economic liberty, the State creates its own instruments for controlling national economic life as a whole. The clauses in the law which assign to the National Council of the Corporations this function of laying down regulations are accompanied by certain conditions prescribed by the legislator through the desire to mitigate the revolutionary implications of

the change. The politician might induce the economist to believe that this intention was meritorious, having regard to the importance of the transformation in present economic organisation brought about by the law. In the opinion of the writer, however, the safeguarding clauses which follow on those which attribute to the National Council of the Corporations the power to prescribe regulations should be curtailed. In point of fact, in order that the National Council of the Corporations may be in a position to issue regulations on points (i) and (ii), it is necessary that it should be moved to exercise this function in each individual case by the Head of the Government on the recommendation of the Minister of Corporations; as regards point (iii), the call to act must reach the National Council of the Corporations from the associations interested after receiving previous authorisation and in agreement with and with the consent of the Head of the Government. The matters dealt with under points (i) and (ii) are of special importance from the point of view of the settlement of working conditions and in the relations between the various categories of producers. Thus the existence of these safeguarding clauses is justified on the ground that the issue of new regulations is in this way permitted in cases of necessity. Authorisation on the part of the occupational associations would appear to be not so much a necessary safeguard as a handicap in the case of point (iii), inasmuch as the occupational associations do not yet possess a sufficiently developed organisation and independence to enable them to judge in many cases either of the necessity or otherwise for the issue of a ruling, nor is it to be expected that the interests of a particular group can have in the associations themselves such impartiality of treatment as in the National Council of the Corporations. As a result certain rules which might be of the greatest value for the general economic life may either not be called for or be delayed on account of the inaction of the occupational associations.

§ 7. The above description shows that the character

of the National Council of the Corporations is that of an administrative body, to which a variety of functions is entrusted, including that of issuing rules which have the force of law for all in whose regard they have been drawn up.

Character of the National Council of the Corporations.

These rules are the result of the powers delegated to the Council and therefore can only have real force in so far as they are not in contradiction with the law and in so far as the question involved is not otherwise dealt with by the law itself. This last duty of the National Council of the Corporations should not be allowed to cause the reader to think that the Council is a constitutional body on all fours with the Parliament or the Senate. The Council can be dissolved or have its powers curtailed by laws emanating from the Parliament or the Senate, whereas it has no powers of its own in regard to these two bodies. The Head of the Government is the President of the National Council of the Corporations and controls its working within the limits laid down by the law. Hence the Council acts within a limited field and is merely an administrative body, which is bound to derive from its direct dependence on the head of the executive power its necessary functional competence to deal with the productive activities of the Nation.

III. THE CORPORATIONS IN THEIR ACTUAL WORKING

§ 1. Before closing this summary analysis of the Law relating to the National Council of the Corporations, it is desirable to note that, after an interval of only some two years from the date when its new duties were laid down, it is impossible to judge, in the light of any practical results, how the system is actually working in the corporative field properly so-called. Reference has already been made to the fact that only a single Corporation, viz., that of the Stage, has so far been established in Italy as an independent organ with the direct object of finding the

The Corporation of the Stage.

solutions of problems regarding the theatrical and film industries. The other existing Corporations are simply sections of the National Council. The establishment of other independent Corporations to deal with the problems of particular categories is at present under consideration.

The Corporation of the Stage was established on 6 December 1930, and its Council met for the first time on 30 May 1931. The work of this Corporation was particularly arduous, since in Italy as in other countries the theatrical industry is feeling the effects of the crisis acutely. The presentation of operas and plays constantly fails to satisfy the demands of the public, which are to-day for good-class productions at prices suitable to the diminished incomes of the average playgoer. In addition there is widespread unemployment among all classes of theatrical workers, operatic and dramatic artists, musicians, stage hands, etc.; at the same time the managers' returns are small with a consequential difficulty in staging the plays and operas which suit the requirements of the public of to-day. Cinema performances, which even before the appearance of the "talking film" showed signs of a falling off both in quality and in profits, became a drug on the Italian market when this important technical revolution was brought about. It was, in fact, impossible to show in Italian halls films with the spoken parts in foreign languages and very difficult to adapt foreign films satisfactorily for production in Italy. As a result there was a strong demand for a limited number of films somewhat poorly adapted to Italian taste, prices in each case ruled exceedingly high and the owner of a cinema hall received but scanty returns, either on account of the quality of the films offered to the public or of the diminished financial resources of the public interested. The national industry has been organised only quite recently and is not yet in a position to satisfy, either as regards quality or more particularly as regards quantity, the call for original spoken films in the Italian language.

Referring again to what was said previously regarding

the constitution of the Corporations, it will be seen that no explicit authority is given to this State organ to adopt extreme measures such as, for example, the direct management on the part of the State of theatrical and cinema undertakings, etc. That it was not the intention of the Government to have recourse to such a drastic remedy was clearly stated by the Minister of Corporations in his opening address, when he declared that the Corporation of the Stage has for its object the co-ordination of all forms of theatrical enterprise so that they may serve a single national purpose, and not the establishment of a single enterprise for the stage. In practice the effect is simply to vest the Corporation with indirect responsibilities, such as for dealing with the actual conditions prevailing in the industry, either by arranging agreements between employers and employed or between the various groups of employers or by obtaining various forms of governmental assistance in the most important cases.

Thus the Corporation encouraged the establishment of a Consortium of the Operatic Stage, a private independent institution for co-ordinating the administrative work of the principal theatrical institutions of Italy concerned with the opera in receipt of State aid. With the help of this organisation it should be possible to reduce the cost and at the same time to improve the quality of the staging of any opera, inasmuch as advantage can be taken of the same detailed work of preparation and of the same mounting as adopted by any one of the various dependent institutions for any particular production. The Consortium will also interest itself in the presentation of a series of performances in the smaller towns so as to provide the opportunity for enjoying works of high artistic value in places that do not possess theatres comparable with those which are connected with the Consortium. The Consortium further aims at the direct engagement of the artists required by the member-theatres with the double object of eliminating the agency system, which increases the costs for artists and seriously affects the expenses of stage production, and also of

leaving freedom of choice in regard to the persons to play particular parts without submitting to the claims made by star artists considered indispensable. The position taken up by the Consortium, which has the support of the Corporation of the Stage, is in perfect agreement with and clinched by the spirit of the collective labour contracts which, as has already been seen, aim at reducing all costly forms of third-party intervention in the engagement of labour. On 1 October 1932 this Consortium was dissolved. Its responsibilities for placing in employment were transferred to the Employment Bureaus, which by this time had been completely reorganised throughout the Kingdom. Its responsibilities for the work of co-ordinating performances and administration in the various centres were entrusted to the National Fascist Association of the Stage, which is attached to the General Confederation of Italian Industry. The Corporation has also urged the Ministry of Communications to allow substantial reductions in railway fares to all classes of artists, these concessions being specially advantageous to the travelling theatrical companies which are so numerous throughout Italy. Similar concessions were also obtained from the steamship companies which convey artists to foreign countries.

On behalf of dramatic performances recommendations were made in favour of a reduction in the Government tax on the prices of tickets and a successful appeal was urged for a reduction in the charges for the electrical power required for the presentation of the plays themselves.

In order to encourage the development of the cinema industry, the Ministry of Corporations has arranged that as from the financial year 1930–1 the sum of 2·5 million liras annually shall be allocated for the award of premiums to those Italian producers who during the year stage films, shown to be successful, both from the artistic and from the financial standpoint, as indicated by the returns obtained by the State through the Government tax on the prices charged for admission tickets.

These measures adopted in aid of an industry in

distress at a critical period show that in the few months of its existence the Corporation of the Stage has been very active. The question at once arises, one to which up to the present it is not possible to give a reply, whether the resources and the means at the disposal of the Corporation are adequate to enable the theatrical industry to overcome the period of crisis.

In practice the problem should probably be stated in another way—namely, whether the crisis against which the theatrical industry is struggling (reference is here made to this industry in the same way as it might be made to any other) can be overcome with such means as so far seem to be possessed by the Corporation. If, despite its severity, the crisis is merely a passing phenomenon and does not, in fact, involve at the same time the basic economic institutions as at present constituted and functioning, in that case the measures taken may serve to speed up and to reduce the more serious losses involved in the passage of its most ugly phases. If on the other hand, as appears to be the case, the seat and origin of the present trouble is really to be found in the spirit of these economic institutions themselves and of their members, it becomes necessary that the Corporations, if they are to be in a position to make any effective contribution to its solution, should be able to call on all the resources which the law of their constitution has provided to enable them properly to fulfil their functions, including those which go beyond the simple duty of co-ordination, and bring them into contact with the vital problems of consumption and of production.

The Sections of the National Council of the Corporations acting as Corporations.

§ 2. During the interval that must elapse before the Corporations become organised through bringing together the various occupational associations, the law for the reform of the National Council of the Corporations, dated 20 March 1930, makes provision for the possibility of conferring on the individual Sections or sub-sections of the Council the duties and powers that properly belong to the Corporation. Thus the Section or sub-

section comes to act in the place of the Corporation in respect of the corresponding branch of production or of the related categories of undertakings, with the exception, however, of those categories of undertakings for which a proper Corporation has already been constituted. As a result of this provision the Sections and sub-sections to-day function as Corporations in regard to all such duties as have been attributed to these bodies since the passing of the law. The functions of conciliation in the event of a dispute arising on a labour question as between one syndical association and another, which should be exercised by the Corporation properly so called, are excluded from the competence of the Sections even in so far as they act as Corporations.

Provincial Economic Councils.

§ 3. Before concluding the section in which the Corporations are discussed, it is necessary to remind the reader that, as bodies for bringing together the syndical organisations, the sphere of the Corporations is national in character. How is the actual organisation and control of the various factors entering into production carried out in practice in the individual provinces? For a time it was thought necessary that in each province there should be constituted a Provincial Corporation which should carry out over a more limited area the same functions as a Corporation for the country as a whole. This solution found a material obstacle in the fact that the so-called Provincial Economic Councils (*Consigli Provinciali dell' Economia*) were already in existence and actually at work in every province of Italy. Until 1927 these institutions were known as Chambers of Commerce, and in effect they were largely responsible for the work which in many countries is attributed to bodies bearing this title. The business of the Provincial Economic Council is, in fact, the economic development of the productive activities of the province, for which purpose they employ various means, including the promotion of new legislation, assistance in securing the due application of the laws already in existence, the encouragement and supervision

of all movements in favour of the improvement of production, alike from the point of view of quantity and of quality. The already existing similarity of duties as between the National Corporations recently established and the long-standing Provincial Councils found a parallel in the character of the functions carried out in practice by the offices of the Councils themselves. Hence it appeared to be unnecessary to set up new bodies which would have partly deprived of their authority bodies already in existence without succeeding in securing the practical knowledge and experience which the Councils had obtained through years of experience. Thus in order to bring the existing Councils into harmony with the scheme described above, a revision of the composition and of the attributes of these Councils was made by the Law of 18 June 1931, No. 875, whereby the epithet "corporative" was added to their title. In the Provincial Corporative Economic Council, as in the National Council of the Corporations, there are sections and special commissions, and the sections must correspond to the various branches of productive activity, the agricultural, the industrial, the commercial, etc., as also to that connected with labour and social insurance. According to the terms of the law of 18 June, every section must include an equal number of representatives of employers and of employed persons, but up to the present such representation is as a matter of fact in being only for the section which deals with labour and social insurance. This section assumes responsibility for the application and development of the regulations relating to every branch of workers' insurance and in particular for the supervision and co-ordination of the public Labour Exchanges within the province. Special Commissions may be established for dealing with questions mainly technical in character, and for the administration of business undertakings, services and special funds.

IV. THE MINISTRY OF CORPORATIONS

It will be seen from the explanation given in this chapter that the legislation undertaken by the Fascist Régime tends to give a new trend and complexion to the organisation of labour and of production in Italy. The intervention of the Government in questions concerning syndical organisation and, in the second place, the connections established between the various factors in production, could only be regulated by an appropriate body. This body without taking the place of the syndical associations, in so far as in certain respects their action is independent, had to bring together under a single administration the productive forces of the Nation, associated and combined on principles quite other than those followed in the past. Hence a new Ministry under the title of the Ministry of Corporations was devised for the express purpose. At the outset the characteristics of this Ministry were similar to those of the Labour Departments in Anglo-Saxon countries, although the leading principles underlying Italian legislation offered possibilities of further and more radical development. The Ministry of Corporations was composed originally of two general departments, one to deal with the Corporations and the other with the occupational associations. Provision was also made in the new Ministry for places for two corporate bodies: (*a*) the National Council of the Corporations, (*b*) the Corporations themselves.

This initial structure proved in practice to be unsatisfactory in the light of existing circumstances, and that for two reasons: (1) various branches of activity which should have come within the sphere of the Ministry of Corporations were under the control of other Ministries set up during a quite different period; (2) the Corporations themselves had not as yet taken on the character nor exercised the specific functions for which they were established.

For this reason, at the end of 1929 the Ministry of

Corporations took over the various services for which the Ministry of National Economy had formerly been responsible. This Ministry, which was originally known as the Ministry of Agriculture, Industry and Commerce, was continually increasing its control in matters of labour and social insurance and welfare, while naturally, at the same time, carrying out the services indicated by its title. In consequence of the transformation of the Ministry of Corporations, the Ministry of National Economy was suppressed. All the services with which this Ministry had hitherto been entrusted were transferred to the Ministry of Corporations, with the exception of those relating to agriculture in its technical aspects. For this purpose the Ministry of Agriculture, Forests and Integral Land Reclamation was established.

According to the latest arrangements the various services of the Ministry of Corporations have been divided into five general departments as follows:—

(*a*) Department of the Secretariat of the National Council of the Corporations, of General Purposes and of Staff Questions;

(*b*) Department of the Occupational Associations;

(*c*) Department of Labour, Welfare and Social Insurance;

(*d*) Department of Industry;

(*e*) Department of Commerce.

The Department of the Secretariat of the National Council of the Corporations, of General Purposes and of Staff Questions includes, in addition to the National Council of the Corporations and the offices of which it is composed, the three following divisions:—

I. The Secretariat of the Category Corporations;

II. The Central Service of the Provincial Economic Councils and their Offices;

III. The Division for General Purposes and Staff Questions.

The Department of the Occupational Associations is in its turn arranged in five divisions:—

the first of these deals with the legal recognition of the syndical associations and their officers;

the second with methods of enrolment and syndical contributions;

the third with general questions, other than financial, relating to supervision, protection, inspection and control in the matter of the working of the syndical associations and of their relations to the four fundamental institutions for social assistance associated with the Régime;[1]

the fourth with the inspection and control of the financial administration of the syndical associations;

the fifth with the propaganda work of the corporative organisation, the means used for this purpose being the syndical school, educational centres, publications, etc.

The Department of Labour, Welfare and Social Insurance is divided into the following six divisions:—

1. The Division for General Purposes and International Labour Questions, including foreign legislation, relations with the International Labour Office, etc. This division is also responsible for the publication of the Review *Sindacato e Corporazione;*

2. The Division for Labour Relations, which assists and protects the parties concerned in the settlement of collective labour contracts;

3. The Division for Labour Legislation and Collective Contracts, whose duties include the carrying out of special legislative studies and drafting legislation relating to the protection of labour, together with the lodging, preservation and checking of the terms of the collective contracts;

4. The Employment Division, which exercises a general supervision over unemployment, internal migration and emigration, and makes a special study of the various phases of these problems;

[1] These four institutions are: the Workers' Leisure Time National Institute (*Opera Nazionale Dopolavoro*); the Maternity and Child Welfare National Institute (*Opera Nazionale per la Protezione della Maternità e dell' Infanzia*); the National Young People's Institute (*Opera Nazionale Ballila*) and the National Workers' Aid Society (*Patronato Nazionale*).

5. The Division of Mutual Aid and Co-operation, which devotes its attention to the drafting and enforcement of the laws and provisions relating to co-operation, and supervises and co-ordinates the various provident institutions established by the occupational associations;

6. The Division of Social Insurance, which deals with the laws, special provisions and institutions for insurance, covering disablement and old age, tuberculosis and sickness in general, accidents to industrial and agricultural workers, as also maternity and unemployment risks.

The Corporative Inspectorate is also attached to this division. This body is responsible for the general supervision of labour throughout the country in its technical, hygienic and legal aspects.

The Department of Industry consists of five divisions:—

1. The first Division, that of Industry properly so-called, is responsible for the application of the measures relating to industry, including industrial areas, the equipment of new factories, etc., and supplies rules for the formation of industrial consortia, institutions or committees for the development of particular industrial enterprises;

2. The second is the Division of Mines, and administers the mines belonging to the Government, controls existing mining enterprises, regulates concessions for the working of mineral zones and carries out studies of an economic, financial and legislative character with regard to mineral research in the Kingdom and in the Colonies;

3. The third Division, that of Liquid Fuels, makes a special study of petroleum research work in Italy and regulates the supply of mineral oils, its main function being the solution of the national fuel problem;

4. The fourth Division deals with industrial rights, including foreign patents, manufacturers' models and designs;

5. The fifth Division is concerned with trade marks and author's rights.

The Department of Commerce has five divisions:—

1. The first is the Division of Treaties and is concerned with the operations relating to the arrangement of treaties, conventions and trade relations with foreign countries;

2. The second Division, Legislation and Customs Tariffs, deals with customs tariffs and particularly with Italian tariffs, and also undertakes the study and examination of economic possibilities as the results of modifications in existing customs regulations;

3. The third, the Division of Studies and Measures for the development of Foreign Trade, is particularly concerned with the study of markets and with the protection of foreign trade, and also with the status and activities of the commercial attachés and representatives abroad;

4. The fourth Division, that of Home Trade, makes reports on traffic movements, endeavours to develop and regulate trade relations, sees to the application of the law relating to business development in certain industries, regulates the action at law of companies and commercial institutions, both as regards their legal recognition and the position of their accounts;

5. The fifth Division deals with Weights and Measures and the Assaying of Precious Metals, and is responsible for all questions relating to international laws and conventions in the matter of weights and measures.

There is also attached to the Ministry of Corporations an independent bureau for the supervision of insurance of all kinds. In addition to its general responsibilities for the control of the administration of the insurance funds connected with the State, this bureau also exercises a general legal and financial supervision over the private societies and institutions which carry out life, accident and other forms of insurance.

From the foregoing summary it will be seen that the offices dependent on the Ministry of Corporations reflect in a minor degree all the activities which have been brought under the control of the Corporative

System. The entire scheme is built up in such a way that for every aspect of the organisation of the labour market and of production in the country at large, there exists a corresponding office at the centre. The Nation, as a whole and as a working and productive force, is brought within a system which binds together and unites the various essential elements.

One of the most difficult tasks that the Fascist Régime set out to accomplish was certainly the institution of the Ministry of Corporations and putting it to work. The province of this Ministry is very wide and by no means homogeneous. The questions which come under the purview of certain general Departments, for example, those of Industry and of Commerce, are not intrinsically in harmony with those other duties for which the remaining general Departments are responsible. In point of fact, the first three are mainly concerned with the organisation of the labour market, while the last two deal with certain aspects of production as manifested in various industries, in the mines and in home and foreign trade, though not necessarily on corporative lines, in which consists the reason for the existence of the Ministry itself. Naturally the intention of the legislator in combining under one Ministry all the productive activities of the nation, was to give them unity of aim, but the effects of the transformation are not yet entirely clear. The matters coming under the control of the last two Departments (Industry and Commerce), which originally fell within the competence of the Ministry of National Economy, do not lend themselves to rapid change; thus it is not possible to state precisely how far the new corporative mentality, fashioned by the new institutions, is reacting on the development of the economic phenomena in question, as these are affected, not only by the influence of the now dominant mentality, but also by circumstances of fact determined not merely by national contingencies, but common to different nations and frequently also to the world at large.

It is probable, therefore, that the Ministry of Cor-

porations will undergo in the future further transformations which will be all the deeper in so far as the corporative institutions succeed in making their influence felt on the general organisation and scheme of national production.

CHAPTER V

CORPORATIVE ORGANISATION (*continued*) —THE CORPORATIVE PARLIAMENT

I. INNOVATIONS IN THE ITALIAN ELECTORAL SYSTEM

Characteristic features of the new Italian Political Elections Law.

§ 1. The Law of Political Elections, which prescribes the new regulations for the election of Deputies to the Italian Chamber, introduced a marked change in the composition of the Lower House of the Kingdom of Italy. The organisation of the syndical categories and the establishment of the National Council of the Corporations are factors which have combined to change the relations between the producing classes of the population and have contributed to bring about the rise of new institutions. The Senate and the Chamber of Deputies, which were characteristic of the Italian constitution before the passing of the new Elections Law, were only indirectly affected as a result of the new orientation in politics and of the change in the mutual relations, both legal and contractual, between employers of labour and employees, and between producers in general.

According to the Italian Constitution legislative authority, or the power to make the laws, is vested in the King, in the Senate and in the Chamber of Deputies. The composition of the Senate, the members of which are not elected but nominated by the Crown, has not been modified materially as a result of Fascist legislation. The new law was mainly concerned with the composition of the elected Chamber and did not confine itself to modifying the method of electing new political representatives, but also laid down new principles regarding the composition of the electorate itself and the choice of

the candidates. The Chamber of Deputies before the advent of Fascism had upwards of five hundred members chosen by territorial electoral colleges, but legally representing the Nation as a whole and not the particular provinces for which they were elected. The substantial differences between the old system and the system instituted by Fascism are to be found in the qualifications of the elector and in the adoption of a single National College in place of the different electoral colleges corresponding to territorial divisions.

New Qualifications required of the Elector.

§ 2. In previous legislation manhood suffrage was the basic principle of the system of elections, a principle founded on an *a priori* hypothesis of capacity dependent on a minimum age limit. In other words, any man of Italian nationality was unreservedly qualified to exercise the vote, provided that he had attained the age of 21 years and had not been deprived of the enjoyment of political rights on some penal count or other similar grounds of incapacity. According to the principle of the new law the right to vote at an election is granted to every individual who contributes in any way to the production of wealth. The underlying concept of the new law is the vesting of all citizens, in so far as they have a part in production, with the right to choose Parliamentary representatives. Thus the law confirms the principle which is predominant in syndical Italian organisation. Hence: (*a*) in so far as he is a producer,[1] each individual is represented by the syndical associations; (*b*) in so far as he is a producer, each individual has the right to take part in the choice of his representatives in Parliament; (*c*) the national Confederations of the legally recognised syndicates of employers and of employed propose their own candidates for the elections.

The total number of the seats in Parliament is almost entirely assigned to the representatives of the abovenamed Confederations. On the basis of these general

[1] The term producer is here to be understood in a broad sense corresponding to the definition given in Chapter I, IV, § 1.

guiding principles the Elections Law was intended to be in harmony with the other special legislation of the corporative system taken as a whole.

Single National Electoral College.

§ 3. The adoption of the single National Electoral College represents a fundamental revolution in the Italian parliamentary system. The abolition of the electoral districts, together with the change in the principles on which the right to vote at an election is granted, are the outstanding characteristics of the new Italian Election Law. The results of the unification of the Kingdom into a single National College are difficult to estimate, more particularly if account be taken of the regional spirit in some cases still existing in Italy and its influence upon the political electorate.

This is not the place to raise the question whether the deprivation of each region or province of the right, on the principle of geographical position, to present its own parliamentary candidates has proved successful as regards the intention to substitute in the mind of the electorate completely national political sentiments where formerly purely local considerations prevailed. It is, however, an undoubted fact that, as a result of the new law, those who still retain a personal interest in political affairs have witnessed a shifting of the area of the contests from a narrow and purely local field to an area geographically far more extensive, even though confined to the ranks of a single party and directed to ends that are limited to the economic field. But, as has been shown in an earlier chapter, corporative order has widened the extension of the idea of economics as understood by the old Liberal school. Thus, even though in Italy the basis of the effective electorate and of the electoral system as a whole is in closest correspondence with the scheme of the recognised syndicates and of the Corporations, for all that the attention of the masses can be directed by way of the occupational organisations and other institutions of a national character towards purposes which, although in the highest degree economic,

involve also considerations of an ethical order. Granted also that considerations of a character predominantly economic have everywhere assumed a prevalence over many other incentives to human action, this phenomenon is not specially characteristic of the Fascist corporative system but is a feature common to every social movement of our times. The corporative theory is a form of interpretation of the needs of the age, in no sense reactionary but anticipatory, and in harmony with the present stage of the historical progress of the Italian Nation, as are other forms of economic and social development in other countries in the world of to-day, differing as regards their history, their institutions and their racial composition.

The single National College is called together by the King, each Commune publishing a manifesto in which the terms of the decree announcing the convocation are reproduced.

Three stages in the Election of Members.

§ 4. According to the law the election of deputies takes place in three stages as follows: (1) the nomination of the candidates by the occupational organisations and by the institutions of national importance; (2) the election among the candidates of four hundred deputies by the Fascist Grand Council; (3) the approval of the electorate.

The power of nominating candidates is primarily in the hands of the 13 National Confederations legally recognised. These bodies nominate a total number of deputies equal to twice the number to be elected, distributed among each of the Confederations in the following proportions:—

(1) National Fascist Confederation of Farmers	12
(2) National Confederation of Fascist Agricultural Syndicates	12
(3) General Fascist Confederation of Italian Industry	10
(4) National Confederation of Fascist Industrial Syndicates	10
(5) National Fascist Confederation of Commerce	6
(6) National Confederation of Fascist Syndicates of Commerce	6
(7) National Fascist Confederation of Sea and Air Transport	5
(8) National Confederation of Fascist Syndicates of Seamen and Airmen	5

(9) National Fascist Confederation of Land Transport and Internal Navigation	4
(10) National Confederation of Fascist Syndicates of Land Transport and Internal Navigation Workers	4
(11) National Fascist Confederation of Credit and Insurance	3
(12) National Confederation of Fascist Syndicates of Employees in Banks and Insurance Offices	3
(13) National Confederation of Professional Men and Artists	20

Nomination of the Candidates by the Occupational Associations.

(*a*) The nomination of candidates is made on behalf of each Confederation by its National or General Council. In addition candidates may be nominated by legally recognised institutions and by existing associations, even if only *de facto*, provided that they are of national importance and that their objects are cultural, educational, philanthropic and propagandist. Recognition of the competence of such institutions and associations to nominate candidates is given by royal decree on the favourable report of a Commission consisting of five Senators and five Deputies, nominated by their respective Houses. The Confederations and institutions, within a fixed period in any case of not less than twenty nor more than forty days, propose the names of their candidates to the Secretariat of the Fascist Grand Council.

Selection by the Fascist Grand Council.

(*b*) The Fascist Grand Council is a body of a political character which was established after the Fascist Revolution with Mussolini as President and the Secretary of the National Fascist Party as Secretary. Its membership consists of the first organisers of the Fascist movement and of the March on Rome, of the Council of Ministers and of certain other personages, pre-eminent by reason of the place that they occupy in the political life of the country and of the services they have rendered to the Régime. The Fascist Grand Council to-day ranks with the Senate and the Chamber of Deputies as one of the constitutional State organs. Its decisions, although they have not the force of law, influence and at times actually settle the general principles of the policy of the Nation. In addition the Grand Council draws up and keeps posted

for submission to the Crown the list of persons qualified to succeed, when the occasion arises, to the post of the Head of the Government and has also, as has just been observed, certain powers as regards the composition of the Chamber of Deputies.

The law provides as follows:—

The Grand Council prepares the list of persons nominated as Deputies, the names being duly taken from the schedule of candidates and also from outside this schedule, when it is necessary to include in the list persons of established reputation in science, literature, art, politics and in the fighting services, who may have been omitted from the roll of candidates. (See Art. 527, Decree of 2 September 1928, No. 1993.)

(*c*) The list drawn up by the Grand Council is presented for the approval of the electorate, which it is assumed will either accept or reject *en bloc* the names submitted by the Government.

Approval by the Electorate.

The brief statement given above shows that the great body of Italian citizens, in so far as they participate in the productive activities of the Nation, is given the faculty of co-operating in the election of deputies in a twofold manner. In the first place it takes part, within the syndicates, in the election of the representatives of each particular occupational category and thus of the governing body of the Confederation, the body responsible for the choice of parliamentary candidates. Secondly, it acts directly through its approval (or otherwise) of the list of the nominees of the Grand Council made on the recommendation of the occupational associations.

II. THE MACHINERY OF THE ELECTION

§ 1. Every citizen who has a right to vote must be inscribed on the electoral lists. These are schedules containing the names of all who have the right to the vote as being: (*a*) resident in a certain area and duly enrolled in the register of the fixed population and thus officially reckoned among the electors;

The Lists of Electors.

(*b*) not included in previous lists and schedules but included in the present lists on their own request.

The lists of persons entitled to vote are kept posted year by year in every commune of the kingdom by incorporating therein officially the lists of: (*a*) the employees who receive a salary, wages or other form of continuous remuneration, which is a charge on the budget of the State or of the provincial administrations or of other institutions legally dependent on the State Administration; (*b*) of persons who have received a passport entitling them to take up employment in foreign countries; (*c*) of employers and employed of the male sex, not less than 21 years of age, liable for payment of the subscription to their syndicate and represented by the legally recognised syndical associations; (*d*) of the contributors of the sum of not less than 100 liras per annum to the State taxes and the provincial and communal rates.

The limit of age referred to above may be reduced from 21 to 18 years in the case of an elector who is married or a widower with a family.

As has been observed, the electoral lists contain the names of citizens who have emigrated. Such persons are considered as constituting a national group outside the boundaries of the mother-country, and in their regard it is permissible to waive the condition of residence, though the other qualifications for electoral competence remain identical with those expected in the case of other citizens within the kingdom.

Provincial Elections Commissions.

§ 2. Every province possesses a provincial Election Commission which: (*a*) takes account of all the work performed in each Commune in connection with the preparation of the lists of electors; (*b*) decides on the appeals that may be made by any citizen against any inscription, cancellation, refusal of inscription or neglect of cancellation in the lists as drawn up in each Commune; (*c*) decides on any fresh requests for inscription or cancellation with which they may be seized directly; (*d*) eliminates from the lists proposed in each Commune the names of citizens im-

properly inscribed and reinserts any names which have been improperly cancelled, even in cases where no appeal or request has been made.

The provincial Election Commission consists of the President of the standing Court of Justice of the province or of the Court which has jurisdiction therein, of one Councillor of the Prefect's Department and of three members with two proxies who are appointed annually by the Prefect from among the electors of the provinces. Every citizen has a right to take personal action in the Court of Appeal against the findings or decisions of the provincial Commission.

Electoral Sections.

§ 3. Each Commune is divided into sections for the purposes of its work in connection with elections. As a rule not more than eight hundred nor less than one hundred persons inscribed in the lists belong to each section, the grouping being by preference made in accordance with the situation of the inhabited areas. If reasons of situation so require, a section may contain fewer than a hundred inscribed persons. The section lists are used for the identification of the electors and the control of the persons actually voting.

Voting Papers.

§ 4. The voting itself is carried out with two kinds of voting papers bearing the sign of the lictor's fasces and the words: "Do you approve the list of the Deputies selected by the National Fascist Grand Council?" The presiding officer of the polling station hands the elector two voting papers, stamped on the outside and showing the number of the section. The outer side of the two voting papers is blank and inside one of them contains a reproduction of the colours of the national flag and the answer "Yes" to the question quoted above, while the other, which is quite blank, contains the answer "No." The elector chooses the voting paper he prefers from the two handed to him, takes his place in the voting booth, folds the voting paper and hands it to the presiding officer who, in his presence, deposits it in the ballot-box.

§ 5. The Court of Appeal at Rome, consisting of the

First President and four Presidents of Section, is constituted a National Elections Bureau. The Court of Appeal declares as approved all the Deputies nominated by the list which shows at least a bare majority and announces their election. If the majority of the votes duly recorded is in opposition to the list, the Court declares that the list is not approved. An equality of votes is taken as signifying the approval of the list. The law states as follows:—

National Elections Bureau and Elections on alternative Lists.

When the results of the election show that the list of the persons nominated as Deputies is not approved, the Court of Appeal at Rome orders by its own decree fresh elections with alternative lists of candidates and fixes the date of polling not earlier than thirty and not later than forty-five days from the date of the decree. . . . At the new election lists of candidates may be presented by all associations and other organisations which have five thousand members who are electors regularly inscribed on the electoral lists. (See Art. 88, Royal Decree of 2 September 1928, No. 1993.)

The lists containing the family and first names of the candidates may not include more than three-quarters of the number of deputies to be elected.

In no case may a candidate's name be included in different lists. (See Art. 89, Royal Decree of 2 September 1928, No. 1993.)

The Court of Appeal at Rome, constituted as a National Election Bureau in the manner indicated above . . . makes the count of the votes cast for each list and announces the result of the voting. The candidates on the list which has obtained the majority of votes are declared elected. . . . The places reserved for the minority are distributed between the other lists in proportion to the number of votes recorded in favour of each. (See Art. 99, Royal Decree of 2 September 1928, No. 1993.)

III. OBSERVATIONS ON THE CORPORATIVE PARLIAMENT

§ 1. The consolidated text of the Political Election Law contains a number of other detailed regulations respecting the qualifications necessary in the case of deputies and electors, the penalties to which persons contravening the regulations laid down by the law are liable, and also various rules regarding the preparation of the lists, the methods of giving effect to the law itself, etc. All these questions may be considered as lying outside the present purpose, which is to give the reader a general idea of the characteristic features of political elections under the Fascist Régime. Undoubtedly the law clearly reflects the revolutionary character of the event by which it was inspired, inasmuch as it bases the elections rather on the principle of a qualitative selection than on the competition of political parties, as was the case during the past in Italy itself and is still the case in other countries.

Characteristic Features of the New Chamber.

It would be difficult to determine the relationship between the efficiency of the new Corporative Parliament in Italy and that of the Parliaments constituted on different basic principles in other countries. The Fascist Parliament has been at work for about five years and in Italy only, whereas the Parliaments in other countries have been functioning for many years under time-honoured systems, so that they have been able clearly to define their own powers and accurately to determine their proper field of action.

The Fascist Parliament has found in the new political life of Italy other organs which are of special importance politically, as, for example, the Grand Council, which have in a certain sense diminished the influence and the initiative of the parliamentary institution. If, however, it is legitimate, though only in passing, to hazard a comparison between the working of the present Corporative Parliament and that of the legislative work of the Italian Parliament during the post-war period before the Fascist

system came into being, it will be clearly seen how the struggles between parties and parliamentary cabals of that time prevented Parliament from having any uniform policy or clear vision as regards its specific problem, taking into account the interests of the Nation as of a single whole to be safeguarded and advanced, more particularly in the economic field. Furthermore, the Corporative Parliament appears to be not so much a body for initiating legislative measures, using the term in its wide political sense, as a large committee made up of elements with technical points of view closely connected with the interests of the occupational groups in which they have their origin.

It was, however, easy to anticipate that such would be the results of the law now under consideration and undoubtedly consequences of this order were foreseen by the legislator.

The New Chamber and the tendencies in the Policy of the Corporative State.

§ 2. A certain school of students[1] of Fascist legislation has raised a doubt whether the law regarding the political electorate implies the identification of the legal organisation of Italian society within the Fascist State with its organisation on an occupational basis within the corporative system. In other words, they seek to depreciate the importance of the corporative system and, in the last analysis, of the occupational associations in the political organisation of the Fascist State, declaring that the latter cannot be identified with the Corporative State although containing within itself the elements of the corporative system, but that on the other hand the Fascist State, taking a position superior to the syndicates and their organs, reserves to itself the right to interpret and to further the supreme interests of the national polity. According to this school the above argument finds its support in the following characteristic features of the Elections Law: (1) That side by side with the citizen, who becomes a parliamentary elector in virtue of

[1] Francesco Ercole, *Le origini del corporativismo fascista—Politica*, pp. 5–36, April 1928.

his membership in the occupational associations, the right to vote is also recognised in the case of many other classes of citizens. Thus the general rule to which reference was made earlier in the chapter, whereby the citizen, *qua* producer, becomes *ipso facto* the citizen who has the right to vote, would not tend to become weakened; (2) That elected candidates will not always come from the ranks of the syndicates, the fact being that other institutions, even though in a minority, have a right to propose candidates, and the Grand Council, which is a body essentially political both in origin and character, and neither syndical nor corporative, is bound to choose candidates outside the lists of the persons nominated by the Confederations.

In the view of the writer, the two features described above merely prove that it was not possible, having regard to the present state of organisation among the occupational associations of Italy and in some cases their unsatisfactory working, to construct in its entirety on a basis as yet not tested by experience, an organism so delicate as a Parliament. Many groups of workers and a number of isolated individuals still escape from the meshes of the net of Italian occupational organisation in consequence of the manifold character of the various branches of productive activity and the difficulties of enrolment, nor is it possible, for this reason alone, that the right to vote should be refused to so numerous a company of citizens. Moreover, the Confederations of employers and employed do not completely cover in their own memberships all the ramifications of the productive work of the country. The persons employed by the State or by the institutions which depend on the State, the holders of inscribed shares, individual contributors to State funds through the payment of taxes are not included among the members of the occupational associations; it is also a matter of common knowledge that there flourish within the Nation a number of social welfare and educational movements, which have a right to a voice in its legislative assembly even though they

cannot be said to come directly within the ambit of any occupational classification. It is, however, readily understandable that the Fascist Government, which is revolutionary in character, and of which the tendency is to change the relations between the social classes in the Italian Nation in accordance with a new set of principles, should entrust a political organ, the outcome of the Revolution itself, with the task of filling the gaps which undoubtedly would be left by the corporative organisation for the reasons given above, if parliamentary representatives for all groups working within the country should be nominated solely by this organisation.

In conclusion, it would appear that the corporative organisation must be considered as an integral transformation of the concept of the State. By limiting, in accordance with the views of certain critics, the scope of the corporative system to the organisation of the occupational groups and not identifying the legal organisation of Italian society within the Fascist State with its organisation on an occupational basis, the political value of the system would be diminished. Hence the integral transformation of the concept of the State is impeded in so far as the existence of active forces or tendencies outside corporative syndicalism is admitted. Thus the theory of these critics must be rejected on the ground that it is in contrast with the spirit which animates the corporative structure which, in the opinion of the writer, cannot allow the survival of forces which limit its expansion and application to the fullest extent.

The Election Law, which has been described above, undoubtedly contains certain reserves regarding the complete application of the corporative scheme, suggested by the at present incomplete organisation of the syndicates and Corporations. It is, however, a law which shows all the characteristics of a transitory provision, that is to say it is one of the laws, the spirit of which is not in complete accord with the corporative principle. If it makes partial allowance for considerations of a transitory character, it does not on that account change or nullify

those principles which the corporative system has now definitely established in the economic organisations of Italy. Hence, in order that the Corporative Parliament may really be in harmony with its distinctive title and with the syndical laws at present in force in Italy, it is necessary to wait until the syndicates and the Corporations exercise to the full their functions as effective and indispensable elements in the productive economic life of the country.

PART II

OCCUPATIONAL ASSOCIATIONS IN PRACTICE

CHAPTER VI

OUTLINE OF SYNDICAL HISTORY AND PRESENT CONSTITUTION OF THE VARIOUS CONFEDERATIONS

I. GENERAL FASCIST CONFEDERATION OF ITALIAN INDUSTRY

Industrial Associations among Employers for technical and syndical purposes before the War.

§ 1. WITH the rise of large-scale industry the first associations of manufacturers were formed in Italy. The object of this form of association was twofold, economic and syndical. It was desired in the first place to establish bodies that would deal with the problems inherent in particular branches of industry, as well as with customs duties, transport, costs of production, etc., from the technical point of view. In the second place it was necessary to organise the manufacturers in unions capable of presenting a united front in resisting the workers' organisations, which had become aggressive owing to Socialist propaganda. This division between associations with economic purposes and associations with syndical purposes is distinctly seen from the last years of last century onwards. There are, for example, associations, such as the Italian Silk Association, formed in 1877, the Paper Manufacturers' Association of the Kingdom of Italy, formed in 1888, the Association of Italian Employers in the Metalworking Industry, formed in 1900, and the National Association of Building Contractors, formed in 1906, all of which set out to supply technical and economic assistance to the member firms. But these associations, though national in scope, were limited to certain categories of industries. It was not until 1910 that the first economic organisation was formed

which was truly national. This was the Association of Italian Joint Stock Companies (*Associazione fra le Società Italiane per Azioni*), which included every kind of undertaking organised in the form of a joint stock company. The main object of this body was to study the more important fiscal problems affecting joint-stock companies and to safeguard their interests in relation to such problems. The association from the first planned its work on a comprehensive scale, so as to include in its inquiries the larger economic and financial problems connected with the development and the interests of production; it also gave assistance and advice to the member companies.

There are, on the other hand, examples of manufacturers' associations with purely syndical objects, such as the Manufacturers' Federation of the Province of Monza (*Federazione fra gli Industriali del Monzese*), established in 1902[1] and the Industrial League of Turin (*Lega Industriale Torinese*), formed in 1906 (*a*) to defend the collective interests of the associated manufacturers; (*b*) effectively to advocate respect for and defence of the freedom of labour; (*c*) to promote a good understanding with the workers.[2] This league, in its first month's working, concluded special arrangements for mutual support with three powerful industrial organisations: the Industrial Consortium of Liguria (*Consorzio Industriale Ligure*), the Consortium of Employers in the Engineering and Metalworking Industry of Milan (*Consorzio di Industriali Meccanici e Metallurgici di Milano*) and the Steelworks Company of Terni (*Società delle Acciaierie di Terni*). At the end of 1907 the league, which already numbered 290 members employing 50,000 workers, promoted the formation of the first manufacturers' Federation established in Italy with syndical purposes. The Industrial Federation of Pied-

[1] The objects of this Federation were, in the main, syndical, but the study of economic problems bearing on the relations between capital and labour was not neglected.

[2] *La Lega Industriale*, *Bollettino*, Year 1, No. 1. Turin, 1907.

mont (*Federazione Industriale Piemontese*) comprised, in addition to the Industrial League of Turin to which it owed its origin, the Industrial League of Biella (*Lega Industriale di Biella*), the Valle Sessera Industrial Association (*Associazione Industriale di Valle Sessera*), the Valle Strona Industrial Association (*Associazione Industriale di Valle Strona*) and the Valsesia Industrial Association (*Associazione Industriale di Valsesia*).

This movement was not confined to Piedmont, but was more or less common to all the manufacturing districts of Italy; thus, for example, in the Province of Monza, an industrial Federation was constituted having purposes similar to those of the Federation of Piedmont. In 1910 a Confederation of the various existing Federations was established at Turin in order to enable the manufacturers of the different regions to present a united front to the pressure of the working class, whose agitations, taking almost always the form of a breach of the labour contracts and a demand for fresh concessions, disturbed the rhythm of production. The syndical purpose remained the sole reason for the existence of the Confederation, but the area of operations was wider than that of the earlier associations.

The Confederation of Industry after the War.

§ 2. It was not until after the war that the first general industrial organisation of a national character was formed for economic and at the same time syndical purposes. Two types of problems were mainly engaging the attention of Italian manufacturers: agreement with the workers and the relations with the State with a view to obtaining customs legislation and internal legislation favourable to the development of industry. The need of a syndical organisation was felt on account of the general uncertainty in industry during the period immediately following the war, and the conviction was becoming general among the manufacturers that self-organisation was necessary. The Confederation had to face the problem of establishing a systematic organisation of all the manufacturers. Hence it was not sufficient to co-ordinate the present

organisations and, accordingly, this body was obliged, while taking into consideration the existing facts, to lay down a policy for the organisation of all categories and of all regions. The main problem was therefore that of bringing within its ambit the policies which had given rise to the organisation of these associations which were to become affiliated to the new body. The Confederation was, accordingly, at the time of its formation, divided into two sections: (*a*) Economic; (*b*) Syndical.

The first of these collects all information of a general character and makes representations to the Government, sometimes collaborating with it in formulating or in amending financial laws and laws relating to customs. This *Sezione Economica* was amalgamated with the existing Association of Joint Stock Companies, so that its economic research work is carried out in the interests of both bodies. Owing to the legal form assumed by the greater number of industrial undertakings in Italy, almost all the employers had become members of the Association of Joint Stock Companies, so that it was an obvious course closely to link its work with that of the newly formed Confederation of Industry.

The Syndical Section, developing independently within the Confederation, studies and assists in the solution of problems concerning the relations between manufacturers and their dependants, and, in general, deals with all questions of social legislation. The Section included from 1922 onwards many federations divided according to their respective activities, such as the National Federation of Insurance Companies (*Federazione Nazionale Imprese Assicuratrici*), the Italian Federation of Mining Firms and Firms operating in Quarries and Peat-bogs (*Federazione Italiana Esercenti Miniere, Cave e Torbiere*), the Federation of Engineering and Metal-working Industries (*Federazione Industriale Meccanici e Metallurgici*), the Federation of Italian Shipowners (*Federazione Armatori Italiani*),[1] and various territorial

[1] See the 1922 Year Book of the *Confederazione Generale dell' Industria Italiana*. Rome, 1922.

associations to which reference has already been made in connection with the Industrial Federation of Piedmont.

The General Fascist Confederation of Italian Industry stands out among the various Confederations as one of the most compact and best organised. This is due to the experience by this time acquired by its officers, which did not, even with the coming of Fascism, undergo any fundamental change. Moreover, its constitution is influenced by the fact that it arose in the time of class syndicalism among the employers for the defence of their own interests. A logical outcome of this origin is the concentration of power in the hands of the administration. This is indicated in the rules and still more clearly in practical working. The persistence of this policy is explicable, moreover, even in the latest period of development of the Confederation. The difficulties caused by the economic crisis of recent years have rendered necessary solidarity and unity of views on the part of the whole class of employers, while the increased recognition of the rights of the other categories concerned in production has imposed on the manufacturers a watchful attitude in the defence of the positions hitherto held by them.

§ 3. The organisation of the employers in Italian industry is at present constituted by:—

Present Constitution of the Confederation.

One Confederation, the General Fascist Confederation of Italian Industry, and many territorial associations covering the whole kingdom, various contiguous provinces, a single province and even smaller areas specially defined and characterised as special centres of important industries. To these associations belong firms and individuals carrying on any form of industrial activity, or some particular branch. In this case the association is called a category-association.

Thus there are:—

(*a*) Four national associations;
(*b*) Eight mixed inter-provincial associations;
(*c*) Forty inter-provincial category-associations;
(*d*) Seventy provincial associations;

(*e*) Three local associations, in which many industries are concentrated;

(*f*) Forty-one national category-associations divided into ten groups of fundamental industries.

(*a*) The six national associations are:—

1. The Independent Fascist Federation of the Artisan Communities of Italy (*Federazione Autonoma Fascista delle Comunità Artigiane d'Italia*). This Federation includes all the workshops and less important undertakings engaged in industrial production;

2. The National Fascist Association of Managers of Industrial Firms (*Associazione Nazionale Fascista dei Dirigenti di Aziende Industriali*);

3. The National Fascist Association of Newspaper Publishers (*Associazione Nazionale Fascista Editori di Giornali*);

4. The National Fascist Association of Municipalised Undertakings (*Associazione Nazionale Fascista delle Aziende Municipalizzate*).

(*b*) The mixed inter-provincial associations take such names as, e.g., the Industrial Unions of Latium, of Liguria (*Unioni Industriali del Lazio, della Liguria*), etc.

(*c*) The inter-provincial category-associations generally group the electrical industries or the owners of house property, branches of industrial activity usually involving important special interests. Thus there are, for example, the Regional Group of the Electrical Companies of Piedmont (*Gruppo Regionale Imprese Elettriche del Piemonte*), the Fascist Association of House Property Owners of Liguria (*Associazione Fascista fra Proprietari di Fabbricati della Liguria*), etc.

(*d*) The provincial associations, which have been formed in most of the provinces of Italy, take such names as the Mixed Provincial Industrial Unions of the Province of Alessandria, of Ancona (*Unioni Provinciali Miste della Provincia d'Alessandria, di Ancona*), etc.

(*e*) The local associations, called Local Industrial Unions (*Unioni Industriali Locali*), exist only in the

districts of Biella, Prato and Intra, three important industrial districts.

(*f*) The national category-federations, such as the National Fascist Federation of the Wine and Liqueur Industry (*Federazione Nazionale Fascista dell' Industria dei Vini e Liquori*) or the National Fascist Federation of the Mining Industry (*Federazione Nazionale Fascista dell' Industria Mineraria*), are divided into ten categories of industries such as the Farming and Foodstuffs Industries (*Industrie Agricole ed Alimentari*), Extractive Industries (*Industrie Estrattive*), etc.

Development of the Organisation.

§ 4. The General Fascist Confederation of Italian Industry was established at the end of 1926. The table here reproduced shows the development of this confederation in the first six years of its activity.

Year.	Firms Represented.	Workers Employed.
1926	93,670	2,105,000
1927	102,681	2,341,866
1928	108,851	2,476,530
1929	131,341	2,621,669
1930	131,840	2,721,303
1931	117,375	2,429,526 [1]
1932	117,630	2,160,652

The census carried out in October 1927 by the Central Institute of Statistics (*Istituto Centrale di Statistica*) shows that there were in Italy 623,640 industrial undertakings in connection with which 3,486,881 persons were employed. Comparing the number of firms represented by the Confederation with the total number of firms at the end of 1927, it appears that only one-fifth of the existing firms have become members. On the other hand, comparing the number of persons employed by the firms represented with that of the persons employed as shown by the census of 1927, it is seen that the firms represented contained more than one-third of the total. Consequently the firms that are not

[1] *Confederazione Generale Fascista dell' Industria Italiana, Annuario* 1930, p. 313, and 1931–32, p. 220. Rome, Tipografia Castaldi.

members of the Confederation must necessarily be those in which a very small number of persons is engaged. In fact, among the industrial firms enumerated in the census are included many workshops which are managed by a few individuals, as also some thousands of small undertakings very difficult to assign with any degree of accuracy to the Confederation of Industry other than to that of Agriculture or of Commerce.

The number of workshops shown in the census of 1927 was 480,000, and, at the end of 1929, 206,000 were affiliated to the National Federation of Small Industries (*Federazione Nazionale delle Piccole Industrie*), now called the National Federation of Artisan Communities of Italy, through their own provincial secretariats.[1]

The organisation of the Confederation has developed almost uniformly throughout the country. Even in southern Italy and the Islands, where industrial centres are fewer and contain a smaller number of employed persons per undertaking, the membership has grown proportionately *pari passu* with the membership in northern Italy. The following table shows the relation between the firms which are members of the territorial associations and the firms represented in the three geographical divisions of northern, central and southern Italy as at the end of 1931:—

	Firms belonging to Territorial Associations.		Firms Represented.	
	Number of Firms.	Number of Workers reported for syndical purposes.	Number of Firms.	Number of Workers reported for syndical purposes.
Northern Italy	39,062	1,402,549	60,896	1,631,115
Central Italy .	16,670	311,343	26,728	387,619
Southern Italy.	14,314	290,579	29,464	395,368
	70,046	2,004,471	117,088	2,414,102

[1] Op. cit., p. 315.

The table clearly shows that the member firms employ a much larger number of workers than those which are merely represented. Hence the more important firms participate to a proportionately greater extent in the corporative organisation than the smaller. In fact, these industries employ the largest number of workers in Italy.

II. NATIONAL CONFEDERATION OF FASCIST SYNDICATES OF INDUSTRY

Italian Workers' Organisation before the War.

§ 1. The history of the syndical organisation of industrial workers in Italy can hardly be told in the brief notes which are all that can be given in the present study. The reader may be referred to the information already provided in Section II of Chapter I when speaking of the General Confederation of Labour and of the organisations that preceded it. Here it is desired to indicate and compare the development of the various syndical organisations of industrial workers.

The socialistic doctrine that was preached throughout Italy by a small band of intellectuals at the end of the last century gained adherents among the workers and for the first twenty years of the present century it was the fundamental idea which animated their organisations.

Socialistic.

These Socialist organisations had their headquarters at the Chambers of Labour and the National Federations of Industrial Workers. The Chambers of Labour formed groups of the small leagues within a certain district and owed their very general success to their community of principles and methods. The National Trade-Federations were less successful because of the great diversity of economic conditions and of industrial development that exist between different regions in regard to each particular trade. The first Chambers of Labour were formed in the last decade of the last century: in 1890 the Syndical Chamber of

Labour of Piacenza, in 1891 the Chambers of Labour of Milan and of Gragnano, in 1892 those of Venice, Pavia and Rome, in 1893 those of Parma, Bologna (syndical), Cremona and Florence.[1] They were most numerous and had the largest membership in northern Italy and particularly in Romagna, Emilia and Lombardy. The National Trade-Federations which arose in the first years of the present century attained their greatest numerical strength towards 1908–9. After this date they showed a certain decline in almost all categories except those connected with the public services, such as railwaymen and seamen. Broadly speaking, the Federations were the stronger, not only in membership but also in associational solidarity, the more highly specialised or the more strictly localised were the industries (printing, metalworking, etc.) to which their members belonged.

Catholic.

The Catholic organisations, the existence of which with deliberate syndical aims also goes back to the end of the last century, came next after the Socialist organisations in point of time and in numbers. The Catholic workers' organisations were also called occupational unions, labour leagues or labour unions, and were referred to generically as Catholic betterment organisations. The first workers' betterment organisation in industry was formed at Monza among the textile workers in 1894, the second at Chiari among the skilled craftsmen and workers in silk factories in 1897. But only towards 1901–2 and later in 1908–9 did the Catholic betterment associations with a considerable membership become relatively numerous, though their strength was never comparable with that of the Socialist associations. Lombardy is the region where the largest number of Catholic organisations was formed; it was followed, at a certain interval, by Venetia, Sicily and Piedmont. Before the war only two national Catholic Trade-Federations had been constituted: the Syndicate of

[1] *Ministero Agricoltura Industria e Commercio, Statistica delle Organizzazioni di lavoratori al 1° Gennaio 1913*, pp. 80–101. Rome, 1914.

Catholic Railwaymen (*Sindacato Ferrovieri Cattolici*) and the Italian Textile Syndicate (*Sindacato Italiano Tessile*), of which the membership reached a maximum of 6,562 in 1911 but declined to about half of this number in 1913.[1]

Both forms of syndicalism, Socialist and Catholic, included, side by side with the occupational betterment associations, other institutions which supported the syndical movement and might be considered as nuclei and pioneer influences for the further development of the movements themselves. There were thus on the one hand co-operative societies, employment bureaux, socialist libraries, various forms of rural banks and, on the other, Catholic co-operative societies, Catholic rural banks and Catholic popular banks. The transformation from purposes of mutual benefit to purposes of social betterment and of occupational defence, frequently to be observed in the story of the occupational associations, is again to be remarked in the Catholic associations. In these associations 90 to 99 per cent[2] of the members were workers. The Catholic associations were distinguished from other occupational associations in general, and especially from the Socialist associations, by a less bitter antagonism in their relations with the employers. In the various rules there may be noted a constant tendency to arbitration, the right to strike being excluded except in extreme cases. Up to 1901 there are even to be found examples of mixed associations of workers and employers.[3]

A feature which calls for notice in the history of the syndical organisation of the workers in the years preceding the war is the increase of isolated leagues. Side by side with the Socialist and Catholic organisations there came into being in 1912 and 1913 workers' associations of a purely *ad hoc* character, without delib-

Independent.

[1] Op. cit., p. 121.

[2] *Ministero Agricoltura Industria e Commercio, Le organizzazioni operaie cattoliche in Italia*, p. 147. Rome.

[3] Op. cit., p. xxviii.

erate political bias or economic foundation, but simply for election purposes on the occasion of the extension of the franchise. The isolated leagues were strongest among agricultural labourers and industrial workers, and were less numerous in the north than in the south, where the workers were more often used as a weapon in political contests. But the formation of isolated leagues was a matter of small moment, and even during 1914 a large number disappeared.

Before discussing the phases of the syndical struggle in the period following the war, it is well to note that in the two years 1912 and 1913 the increase of membership in the Socialist leagues was 6·10 times higher among industrial workers than among agricultural labourers.[1] The organisation of the latter seemed to have reached saturation-point and accordingly to have become stabilised. The rapid changes to which the industrial classes are subject do not affect agricultural labourers except indirectly, and the membership had reached the maximum limits for the day labourers who dominate the syndical organisation of the agricultural labourers, as it is among the day labourers that numerical increases or decreases occur. It is interesting to observe that, not only did the organisation of the day labourers then determine, as it still influences to-day, the organisation of the other categories of agricultural workers, but that it determined also that of the industrial workers. The existence of leagues of unskilled workers, who have every reason to desire organisation, made the organisation of industrial workers a practical necessity. The day labourers—that is, the unskilled labourers—dominate the labour market, since in the slack season they turn to other occupations. The way to check this tendency was, therefore, to oppose their leagues by other aggressive leagues. For this reason the leagues of industrial workers increased considerably in 1912–13 in all the regions of the south, where workers' associations arose rather late, and included also Romagna and Emilia, where

[1] *Statistica delle Organizzazioni di lavoratori, etc.* Op. cit., p. 13.

the question of the agricultural labourers' leagues became increasingly acute.

On 1 January 1914 the situation of the organizations of industrial workers in Italy was as follows:—

	Leagues.	Members.
Local organisations inscribed as members of the Chambers of Labour	3,495	347,921
Organisations inscribed as members of the National Federations of Industrial Workers .	1,602	112,287
Catholic organisations	338	40,009
Isolated organisations	325	34,012[1]

The first two figures for the leagues indicate the numerical strength of the Socialist organisations. The isolated associations, though having considerable totals falling not far short of those of the Catholic associations, had, for the reasons indicated, far less importance.

Beginning of the Syndical Movement, properly so-called.

§ 2. The war found the syndical associations in industry making no progress if not actually in decline. Many students of labour problems considered that the workers' organisation had in various regions attained its maximum limit and that the progress which was noted in the membership of the agricultural labourers' leagues showed that category-organisation was extending to this less advanced class. In noting the occupations of the members of the various types of syndical association, it is to be observed[2] how the largest number of new members was, in general, provided by agricultural and casual labourers, who showed a preference for the Socialist leagues. Coming to details, it is interesting to observe that in the years preceding the war among the associations which have been here described generically as Socialist, the associations properly called Syndicalist seemed to be preferred, particularly in Emilia, Romagna and Lombardy, regions where the organisation of the

[1] *Statistica delle organizzazioni dei lavoratori al 1º Gennaio 1914*, p. 5. Rome, 1918.

[2] Op. cit., p. xiv.

workers was widely spread. The fact, too, that these associations, which were so popular among the agricultural labourers and every day acquired more favour among the industrial workers, better fulfilled the new requirements of the workers of every category is clearly shown by their renewed aggressiveness after the armistice, though the objects in view had been somewhat modified, even more than by the statistics for the years subsequent to 1914, as affected by war conditions. To the information already given on the post-war phases of the resumed organisation among the workers, it must be added that the general tendency of the Socialist (not Syndical) organisations and of the Catholic organisations was towards political action often devoid of any concrete economic foundation. To these tendencies, which were clearly shown in many cases and were not the least reason why the working class was deluded by the constant activity of agitators speaking from Marxist platforms, from the pulpit or elsewhere, Fascist syndicalism wished to oppose the organisation of the categories engaged in production on the economic ground. This work was facilitated by the fact that the Fascist syndical organisations exist mainly as economic, side by side with purely political organisations.

Industrial labour was organised in the Fascist syndical system as a Corporation (the first) in the National Confederation of Syndical Corporations founded, as has been seen, in 1922. Subsequently the industrial workers were organised in the National Confederation of Fascist Syndicates. To this body, which succeeded in 1926 the National Confederation, was entrusted the representation of every type of worker. The National Confederation of Fascist Syndicates was composed of six National Federations of Workers properly so-called (of Industry, of Agriculture, of Commerce, of Banking, of Land Transport and Internal Navigation, and of Sea and Air Transport) and of a National Federation of the Syndicates of Intellectual Workers (*Federazione Nazionale dei Sindacati degli Intellettuali*). In corre-

spondence with this organisation, which represented all varieties of labour, five organisations of the employers, viz., the Confederations of Industry, of Agriculture, of Commerce, of Banking, of Land Transport, were formed in 1926, and, subsequently, the Confederation of Sea and Air Transport.

With the existence of a single large association which united under its ægis every branch of labour, the desired balance between bodies representing the workers and those representing the employers was upset. The six Confederations of employers, some of which were of recent formation and were working in a hesitating and half-hearted manner, were confronted by the workers grouped together in defence of the wages standard. Among necessary consequences of this state of affairs were a strong concentration of power in the hands of the officers of the National Confederation of Fascist Syndicates and a policy inevitably inspired by class interests on the part of the members, who opposed to the various employers' associations an aggressive, solid and hostile mass of resistance. All this was contrary to the principles of collaboration on which the Italian syndical organisation was based. Such, in broad outline, were the reasons which determined in 1928 the dissolution of the National Confederation of Fascist Syndicates and its division into the six National Confederations of Workers which, under the present system, are balanced by the six Confederations of Employers referred to above.

Industrial Workers in the Corporative Organisation.

§ 3. Industrial Workers are at present organised in every province in the Kingdom in a Provincial Union of Syndicates of Industry (*Unione Provinciale dei Sindacati dell' Industria*). These Unions, numbering 92 for the whole kingdom, cover and represent all the categories of industrial workers in their areas. The national category-organisation is entrusted to twelve Federations, namely:—

1. The National Federation of Fascist Syndicates of Workers in the Clothing Industry (*Federazione Nazionale*

dei Sindacati Fascisti dei Dipendenti dall' Industria dell' Abbigliamento).

2. The National Federation of Fascist Syndicates of Workers in the Water, Gas and Electric Power Industries (*Federazione Nazionale dei Sindacati Fascisti dell' Acqua, Gas, Elettricità*).

3. The National Federation of Fascist Syndicates of Workers in the Foodstuffs Industry (*Federazione Nazionale dei Sindacati Fascisti dei Dipendenti dall' Industria dell' Alimentazione*).

4. The National Federation of Fascist Syndicates of Workers in the Furnishing Industry (*Federazione Nazionale dei Sindacati Fascisti dei Dipendenti dall' Industria dell' Arredamento*).

5. The National Federation of Fascist Syndicates of Workers in the Paper and Printing Industries (*Federazione Nazionale dei Sindacati Fascisti dei Dipendenti dall' Industria della Carta e della Stampa*).

6. The National Federation of Fascist Syndicates of Workers in the Chemical and Glass Industries (*Federazione Nazionale dei Sindacati Fascisti dei Dipendenti dall' Industria della Chimica e del Vetro*).

7. The National Federation of Fascist Syndicates of Workers in the Building Trade (*Federazione Nazionale dei Sindacati Fascisti dei Dipendenti dall' Industria dell' Edilizia*).

8. The National Federation of Fascist Syndicates of Workers in the Mining Industries (*Federazione Nazionale dei Sindacati Fascisti dei Dipendenti delle Industrie Estrattive*).

9. The National Federation of Fascist Syndicates of Workers in the Metalworking Industries (*Federazione Nazionale dei Sindacati Fascisti dei Dipendenti delle Industrie Metallurgiche*).

10. The National Federation of Fascist Syndicates of Workers in the Fishing Industries (*Federazione Nazionale dei Sindacati Fascisti dei Dipendenti dalle Industrie della Pesca*).

11. The National Federation of Fascist Syndicates

of Workers in the Industry of the Stage (*Federazione Nazionale dei Sindacati Fascisti dei Dipendenti dall' Industria dello Spettacolo*).

12. The National Federation of Fascist Syndicates of Workers in the Textile Industries (*Federazione Nazionale dei Sindacati Fascisti dei Dipendenti dalle Industrie Tessili*).

Each of these national Federations includes the corresponding sections formed in every province, as internal organs of the provincial Unions.

Each provincial Union has, as its internal organs, twelve sections—corresponding to the National Federations—provided that all the categories of industry are represented in the province.

The sections are divided into Syndicates of Employees and Syndicates of Workers; their number is not determined *a priori*, but is fixed according to the requirements of the local situation in relation to the number of workers who belong to the specialised branches of each of the large categories combined in the sections.

Only the provincial Unions and the National Federations are legally recognised associations; the sections, the syndicates and the corresponding communal groups, if such exist, are internal organs not legally recognised.

This organisation of the industrial workers is the fruit of many successive adaptations, all intended to make the formal structure of the workers' organisations as effective as that of the employers' organisations. As a result of the provisions which have led to the present form, the number of minor local associations, formerly existing as syndicates, has been reduced approximately in the proportion of ten to one in relation to the present unions.

At the end of 1932 the workers enrolled in the Confederation of Fascist Syndicates of Industry numbered 1,654,340. The number represented was 2,160,602 for the whole of Italy.

III. NATIONAL FASCIST CONFEDERATION OF FARMERS

Associations among Landowners for technical and syndical purposes before the War.

§ 1. The idea of grouping the Italian farmers in large associations, which are concerned with the interests of the national landed property from the agricultural and technical, as well as from the economic and syndical standpoints, had already been put forward at the end of the last century.

The associations formed for agricultural and technical purposes were not, in fact, remarkably successful, either as regards permanence or number of members. In the course of a few years the "Agricultural Comitia" were formed and then disappeared; they were to have prepared the way for the formation of agricultural chambers, and their object was the diffusion of technical knowledge among the farmers, including a knowledge of the practical applications of modern scientific discoveries to farming. An Italian Farmers' Society (*Società degli Agricoltori Italiani*), founded in 1894, achieved little in the way of practical results; it set out to influence public opinion in favour of agriculture, to promote the material and general welfare of the agricultural classes, carrying on a work of agricultural technical propaganda while strictly excluding from its programme any political tendency.

The Italian Federation of Agricultural Consortia (*Federazione Italiana dei Consorzi Agrari*) was more successful. It was founded in 1892 and confined its attention mainly to economic problems. It received the support of a number of "Comitia" and was favourably regarded by many landowners, particularly the small occupying owners, who were alive to the spirit of the time and well aware of the advantages that the Government of the day was disposed to confer on co-operative societies of every kind.

Various farmers' associations were started for syndical purposes, that is, with the object of uniting the strength of the individual occupying owners to resist the aggressive forces of the agricultural labourers' syndicates. These

were known as the Agricultural Associations (*Associazioni Agrarie*). The most numerous and most aggressive were to be found, in the first decade of this century, in the Valley of the Po, in Emilia and in Romagna, regions in which agriculture was more progressive and the class organisation of the workers more highly advanced.

Socialism made headway among the agricultural labourers and was successful in organising them in the so-called "leagues of resistance." These, in their turn, were affiliated to a powerful central organisation, the Italian Federation of Agricultural Labourers (*Federazione Italiana dei Lavoratori della Terra*). It is interesting to note that the syndical struggle between farmers and farm workers in Italy was carried on more particularly as between the small occupying owners on the one side and the labourers on the other, while the larger landowners were very little concerned. This situation, which seems almost paradoxical, if property is regarded as the principal cause of social conflicts, is explained: (1) by the part of champion of capital sustained by the rural middle class against the labourers' organisations; (2) by the political activity displayed in Italy before the war by the large agricultural landowners; (3) by the fact that small occupying owners and tenant farmers—unlike the large landowners, who were for the most part resident in the cities and only indirectly in touch with their estates—became easily involved in a conflict of interests with the labourers, and that largely as a result of close contact.

The Struggle between Landowners and Agricultural Labourers after the War and its effects on the Syndical Organisation.

§ 2. The war only marked a pause in this hostility, which broke out again more violently than ever when the agricultural labourers, on their return home, attempted under the influence of Socialist and Communist propaganda, to carry out the programme expressed in the fateful phrase, *la terra ai contadini*, or the land to the landworkers. The behaviour of the landowners in face of the threatening attitude of the working masses was hesitating and showed an absence of any common policy. The Agri-

cultural Associations of the Valley of the Po, which were the best organised, and then by degrees the Associations of Venetia and of East Lombardy, combined through affiliation to the earlier Inter-provincial Agricultural Federation of Bologna (*Federazione Interprovinciale Agraria di Bologna*). The policy of this Federation, which was constantly in favour of a defensive programme, undoubtedly had greater influence than that of the General Confederation of Farmers (*Confederazione Generale degli Agricoltori*), which included in its membership not only the landowners' associations throughout Italy, but also individual landowners. This body, of which the main purpose was to maintain political contact with the central authorities, did not have so conspicuous an influence on the fortunes of Italian agricultural policy as the Inter-provincial Federation; this was due to its complacent attitude in face of the increasing demands of the workers and to the Parliamentary compromises in which it found itself involved.

The fortunes of agricultural syndical policy in Italy were decided by Fascism, which again maintained an attitude of resistance and actively pursued the tactics of the Inter-provincial Agricultural Federation, when this body became weakened as a result of the fierce conflicts that took place in 1920 in the province of Bologna. The cause of this agitation was one common to many other phases of the agricultural conflict in Italy and is to be found in the claim of the labourers' leagues to be allowed to submit for the signature of individual farmers a contract drawn up by their own Federation (*Federazione dei Contadini*) instead of signing a collective contract with the Landowners' Association. The labourers' leagues proved victorious through their aggressive and united methods pursued in the face of the hesitating attitude of the landowners who, in default of a firm policy, relied mainly on the strength of their legal position, but had neither assistance from the Confederation nor backing from the Government of the day. But the victory was short-lived, for the land-

owners, who had not found in the Association that element of strength which they required in order to be able to treat on a footing of equality with the workers' syndical associations, enrolled themselves in the *Fasci di Combattimento* and helped to found in 1921 and 1922 the Provincial Federation of the Fascist Syndicates of Bologna (*Federazione Provinciale fra i Sindacati Fascisti di Bologna*). This Federation acquired a constantly increasing influence and in the end it became transformed into the Italian Federation of Agricultural Syndicates, which thus united all the landowners in a single national association, and brought them under rules of discipline inspired by new principles. The striking success of the new syndical associations of farmers necessarily led to a conflict with the General Confederation which had during a long period represented the farmers throughout Italy on a national basis.

The methods, tendencies and ideal principles of the Federation, which were also common to the various syndical associations established by Fascism, were too different to allow the peaceful co-existence of two institutions, both claiming to be the syndical representatives of the same occupational category.

Hence, after two years of indecisive conflict, the Italian Federation of Agricultural Syndicates absorbed the General Confederation of Farmers, thus transforming itself into the sole national association which monopolised the occupational representation of the Italian farmers. This was the logical solution of a series of disputes arising out of two divergent points of view. While the object of the policy of the General Confederation was to resist the onset of the working classes, the policy of the Federation, starting from the principle of absolute equality of rights between occupational categories, guaranteed in practice by the existence of an efficient Central Government, was directed to the syndical and technical organisation of the farmers and to the establishment of collaboration between them and the agricultural labourers. It was precisely in regard to agricul-

ture that this collaboration went so far as to result in the formation of a Corporation of Agriculture (*Corporazione dell' Agricoltura*) through which the Italian Federation of Agricultural Syndicates came to be affiliated to the Confederation of Syndical Corporations (*Confederazione delle Corporazioni Sindacali*).[1]

The Corporation of Agriculture (*Corporazione dell' Agricoltura*) brought together the three factors of production: capital, technical skill and labour, since its membership contained the farmers, represented by the Italian Federation of Farmers' Syndicates (*Federazione Italiana Sindacati Agricoltori*—F.I.S.A.), the experts, represented by the Italian Federation of Agricultural Experts (*Federazione Italiana Tecnici Agricoli*—F.I.T.A.), and the workers, represented by the Italian Federation of Agricultural Labourers (*Federazione Italiana Lavoratori Agricoli*—F.I.L.A.).[2]

This form of organisation was not maintained in the transformations that took place in the Italian occupational organisation after 1925. However, the fact that even then the necessity of this collaboration was realised shows that in certain rural circles the most constructive part of the corporative programme was understood and had been given effect.

§ 3. The Italian Federation of Agricultural Syndicates, after a period of reorganisation which lasted more than a year, was legally recognised on 7 October 1926, assuming the name of the National Fascist Confederation of Farmers (*Confederazione Nazionale Fascista degli Agricoltori*).

Present Constitution of the Confederation.

In accordance with the present system, the Provincial Federation, which groups together and represents all the employers of agricultural labour in the province, is a minor local association. Each Federation contains three sections corresponding to three different categories: (1) farmers who do not directly cultivate their

[1] See Chapter I, Section II, § 5.

[2] Giovanni Pesce. *La Marcia dei Rurali*, p. 101. Rome, Casa Editrice Pinciana, 1929.

land; (2) farmers who themselves cultivate their land; (3) owners of rented lands. It may be noted in passing that the expert farm managers have recently been transferred to the Confederation of Professional Men and Artists (*Confederazione Professionisti ed Artisti*). The reasons against the extension of the type of the minor local associations beyond the area of a province are obvious. Crops and cultivation methods vary considerably from one region to another and the protection of the interests involved cannot be entrusted to occupational organisations covering too large an area. These Federations can, for internal purposes, establish offices for the improvement of the organisation in the outlying districts.

The Provincial Federations of the Kingdom together constitute the National Confederation.

The ratio between the inscribed members of the National Fascist Confederation of Farmers and the persons it represents is, for the whole kingdom, approximately as 1 to 5. Analysing the variations round this ratio, region by region, it appears that among the northern regions, some of those in which agricultural property is very closely subdivided show a lower ratio of membership to the total number of persons represented (e.g., Lombardy, Veneto, Julian Venetia and Liguria), while in some regions in the south, where large agricultural properties prevail, the ratio of membership to persons represented exceeds the average ratio. This is the case, for example, in Apulia, Calabria, Campania and Sardinia.

At the end of 1932 the members of the National Fascist Confederation of Farmers numbered 543,486. The persons represented were about 2,800,000 for the whole of Italy.

IV. NATIONAL CONFEDERATION OF FASCIST AGRICULTURAL SYNDICATES

§ 1. Socialist propaganda has generally had more tangible success among industrial workers than among

agricultural labourers. It is difficult for ideas leading to social changes to penetrate far among the agricultural labourers by reason of their inferior intellectual and political training, of the difficulty of the means of communication and of the attitude of the agricultural proletariat towards the relation that binds it to the land. Changes in the social composition of the agricultural classes take place slowly. The violent manifestations that frequently accompany the movements of the industrial working masses are less frequent in agriculture, where they usually occur only in exceptional periods of depression and of economic uncertainty. The disturbances in 1884 in Polesine and of 1898 in Lombardy and in Apulia, and the more recent uprisings of 1920–21 in the Valley of the Po, confirm this statement.

Socialistic and Catholic Movements among Italian Agricultural Labourers before the War.

The Socialist Party began its rural propaganda towards the end of the last century. Its object was to encourage the institution of agricultural co-operative societies and of leagues of resistance, for the purpose of opposing disciplined workers' organisations to the employers, to the employment agents and to the large landowners. These last, caring little for their estates, managed them, or allowed them to be managed on primitive and uneconomic lines. Socialist propaganda took deeper root among the agricultural day labourers or casual workers, and, in general, among those labourers who were remunerated on a system similar in its main characteristics to that of the wage-earners in industry. On the other hand, the more the remuneration of the agricultural workers included payments in kind and tended towards one form or another implying a direct interest in the undertaking, the more such workers came to be attached to the soil, to desire to own land and to be in practice hostile to the principles put forward by Socialism. Indeed, from about the beginning of this century, in the regions where agriculture was more advanced, small occupying owners and tenant farmers,

categories which from the syndical point of view cannot be classed with any certainty either as employers or as workers, are seen to be among the first to band themselves together in an increasingly threatening manner against the agricultural labourers' leagues. On the other hand, it is found that the Socialist Party considers "small landed property as a form of agricultural exploitation, which is out of date and is incompatible with the interests of agriculture and of the general progress of humanity." [1]

Although Socialist propaganda had gained a hearing only in one category of agricultural labourers—namely, that of the wage-earners—on the other hand, the indirect consequential advantages were considerable for all agricultural labourers. The humblest workers were combined in syndical associations, which helped to increase wages and to improve to some extent the standard of living. As a result of the increased demands of labour, the large landowners found themselves obliged to grant better tenancy conditions and to dispose of part of their estates, so that it may be said that Socialism had in some degree helped to increase the number of small landowners. While such in broad outline were the tendencies which the social conflicts impressed on the agricultural workers, reference should also be made to the special policies followed by the agricultural labourers' organisations before and after the war. The division of the Socialist workers into "Reformist" and "Syndicalist" after 1910 became the dominating factor in syndical life. A section of the agricultural labourers, as also a large number of the industrial workers, belonged to the General Confederation of Labour, the relations of which with the official Socialist Party became closer every day, while a growing number of agricultural labourers (among the first being those of the Po Valley) formed the original nucleus of the syndicalist organisations, which aspired to secure economic and moral betterment by direct action and without political compromise.

Side by side with the Socialist movement, the funda-

[1] Socialist Congress at Florence, July, 1923.

mental organisation of which among the agricultural labourers was the General Federation of Agricultural Labourers (*Federazione Generale dei Lavoratori della Terra*), there arose in the first decade of the century the Christian-Democratic movement of a type similar to the better-known and more widespread movements in Germany and in France. In Italy this form of syndicalism did not take on a really national character since the area of operations of the organisations to which it gave rise was confined to northern Italy and particularly to the Veneto and to the Valley of the Po. The movement, however, merits notice and setting in its proper light on account of: (1) its development in the period immediately following the war, under the direction of the Italian Popular Party, among those occupational categories in which Socialism had carried on a superficial and one-sided propaganda; (2) the underlying principle of the participation of the workers in farm management; (3) the political activities of the clergy in the direction of the movement itself.

Origin and Principles of Fascist Syndicalism among Agricultural Labourers.

§ 2. These movements were supplanted by Fascist syndicalism, which set out to give a solid basis to the syndical organisation of the agricultural workers. Its leading motive was the satisfaction of the needs of the occupational category, while a large part of the superstructure of Socialist and Christian-Democratic syndicalism was to be cut away. The three years which preceded the successful establishment of Fascist syndicalism were marked by serious disorder in the country, by frequent strikes,[1] by the burning of

[1] According to statistics published in 1926 by the Ministry of National Economy, there were in agriculture:—

82 strikes in 1914, involving 49,379 strikers and equivalent to 481,556 lost working days;

208 strikes in 1919, involving 505,128 strikers and equivalent to 3,436,829 lost working days;

189 strikes in 1920, involving 1,045,732 strikers and equivalent to 14,170,991 lost working days;

89 strikes in 1921, involving 79,298 strikers and equivalent to 407,393 lost working days.

agricultural produce, by woundings and murders resulting from the conflict between the agricultural labourers' leagues and individual landowners or landowners' associations. The agricultural labourers, by adopting these tactics in their campaign, failed, in spite of overwhelming support in Parliament, to obtain appreciable advantages from the red and white syndicates. Nor can it be supposed that it would have been possible to resolve by such means the difficulties in which the agricultural labourers were and still are involved. Although Fascist syndicalism was in the main an urban movement, even as early as 1920 in the country districts of the province of Ferrara, and later in the Valley of the Po, the small occupying owners and agricultural labourers began to be organised in syndical associations. In 1921 the first Syndical Chamber of Labour (*Camera Sindacale del Lavoro*) was established at Ferrara. The Congress of Fascist Syndicates of 1921, at which were represented, together with the various workers' syndicates, many agricultural labourers' associations of the Valley of the Po, revealed the incompatibility between Fascist syndicalism, the General (Socialist) Confederation of Labour and the Italian (Catholic) Confederation of Workers. In 1922, on the formation of the National Confederation of Syndical Corporations, the agricultural labourers became members of this institution through a specially formed Corporation. Subsequently the Corporation of Syndicates of Agricultural Labourers (*Corporazione dei Sindacati dei Lavoratori della Terra*) was independently recognised and was transformed into a Confederation under the name of the National Confederation of Fascist Syndicates of Agriculture (*Confederazione Nazionale dei Sindacati Fascisti dell'Agricoltura*).

The ground being cleared of electoral and party conflicts, the work of the corporative system in relation to the problems of agricultural labour was directed mainly towards these problems in their technical aspects. This orientation must not, however, be understood as implying any limitation of the objects of syndical organi-

sation, which is not intended chiefly to unite the rural labourers for the purpose of raising their money wages as far as possible, such having been the constant tendency of red syndicalism, but rather to represent this great labour category as regards all problems in the national economic life, in which it is an interested party. Accordingly it becomes part of the business of the syndical organisations to deal with questions relating to self-sufficiency in the supply of cereals (the Wheat Campaign, *battaglia del grano*), the reclamation of marsh lands, their cultivation and re-settlement for agricultural purposes (*bonifica integrale*, or comprehensive land improvement), the regulation of internal migration from one district to another according to the requirements of the various crops, the use of improved methods of cultivation, the adoption on the part of occupying owners and tenant farmers of a certain quota of labour, etc. Admitted that the problem of wages enters very largely into all these questions, it must still be understood in terms of the principles of the corporative theory. Here the purpose is to secure for agricultural labourers, and particularly for those categories among them which are economically the less favourably situated, wages commensurate with the new requirements of the times. Such wages must take into account length of service and be so paid as to give the agricultural labourer a certain joint interest, the ultimate goal in applying corporative legislation to the rural classes being to foster in them a stable attachment to the land on which they work.

§ 3. The organisation of workers in agriculture is at present carried out through:—

Present Constitution of the Confederation.

One National Confederation;
Five category-Federations;
One national syndicate, that of Farm and Forest Employees (*Impiegati di Aziende Agricole e Forestali*);
Ninety-two provincial Unions.

The five National Federations are:—

1. The National Federation of Fascist Syndicates of Tenant-Farmers who are direct cultivators (*Federazione Nazionale dei Sindacati Fascisti degli Affituari Coltivatori Diretti*);

2. The National Federation of Fascist Syndicates of Share Tenants (*Federazione Nazionale dei Sindacati Fascisti dei Coloni e Mezzadri*);

3. The National Federation of Fascist Syndicates of Wage-earners and Day Labourers (*Federazione Nazionale dei Sindacati Fascisti dei Salariati e Braccianti*);

4. The National Federation of Fascist Syndicates of Specialised Agricultural Labourers (*Federazione Nazionale dei Sindacati Fascisti delle Maestranze Agricole Specializzate*);

5. The National Federation of Fascist Syndicates of Shepherds (*Federazione Nazionale dei Sindacati Fascisti dei Pastori*).

The National Federations are composed of the corresponding syndicates, established as internal organs of each provincial Union. The provincial unions are territorial syndical associations, as they cover all the agricultural and forestry workers of the province.

At the end of 1932 the number of persons inscribed as members of the Fascist syndicates of agriculture was 1,659,011. The number of persons represented was 2,815,778 for the whole of Italy.

V. NATIONAL FASCIST CONFEDERATION OF COMMERCE

Local and National Associations among Italian Commercial Men before the War.

§ 1. The syndical organisations of the employers in commerce in Italy since the war have been closely associated with the organisations in industry and the local have been relatively more important than the national organisations.

In the first twenty years of this century the associations of employers were formed chiefly for the purpose of the protection of specific interests and were organised geographically

and by branches of activity. Thus associations were formed such as those of the woollen and cotton industries, etc., as defensive leagues for a particular district, but never as national associations of merchants from which manufacturers were excluded or *vice versa*. On the other hand, the merchants frequently found means to combine for the protection of their own interests within the area of a province and in particularly large centres. In Rome, for example, since about the end of the last century there were two associations in which the majority of the shopkeepers of the capital were grouped: the Roman Agricultural, Industrial and Commercial Association (*Associazione Industriale e Commerciale Agricola Romana*) and the General Society of Shopkeepers (*Società Generale tra i Negozianti*). In 1897 it was proposed by the General Society of Shopkeepers, which was specifically an association for the protection of the economic and syndical interests of every kind of shopkeeper, that the Italian Commercial Federation (*Federazione Commerciale Italiana*) should be formed to unite all the associations of merchants and manufacturers and even those merchants who did not belong to syndical associations duly affiliated to the federation. This federation was established in 1898, but it was dissolved after two years without leaving any trace upon Italian syndical organisation. As a result of the commercial and industrial Congresses of Florence, Rome and Naples, it was decided in 1904 to organise a General Confederation of Merchants and Manufacturers. In 1905 a scheme was presented to the Congress of Florence for the formation of a new association, to which the name of Italian Commercial and Industrial Federation (*Federazione Commerciale Industriale Italiana*) was given. This Federation, which had its headquarters in Rome, was entirely dependent on the General Society of Shopkeepers, a sound organisation with a high membership. In spite of the support of the Roman society this body had but an ephemeral existence; its membership was small and members' interest was languid except when

important questions were under discussion and particularly when there was occasion to oppose some new bill considered likely to be harmful to the interests of the category. About 1908 there arose employers' associations, typically syndical in character, with an area of operations extending beyond the limits of a single province, such as the Industrial League of Turin, already referred to when speaking of the employers in industry. In 1909 the Federation of Italian Manufacturers and Merchants (*Federazione Industriali e Commercianti Italiani*), at the head of which was Signor Candiani, a member of the Italian Parliament, was established in Milan. This Federation, which was conservative in character, found its first supporters among the members of the Shopkeepers' Association of Milan (*Associazione Esercenti di Milano*), an institution founded on the same lines as the Society of Shopkeepers of Rome already mentioned. The Federation of Italian Manufacturers and Merchants, from the practical point of view, cannot be said to have had much greater solidity than the defunct Roman Federation. It had, as a matter of fact, no real syndical discipline and no proper rule for the payment of subscriptions, but the policy of class protection followed and the frequent opportunities given to this association by Italian syndical life contributed towards making it more active and efficient than the associations that had preceded it. Thus in 1908 the Federation acted as spokesman for the employers, particularly the industrial, in regard to the new law on work accidents, and in 1913 as spokesman for the employers in commerce when, under pressure from the labourers, the principles of the new law on private employment were laid down.

By comparison with these national associations, which were rarely distinguished by regularity in membership or by the soundness of their financial resources, the local associations in the commercial field, like those of Rome and Milan, were far more truly characteristic. The constant business contacts and the community of

their problems brought about a considerable measure of fellow feeling between the employers in commerce both in Rome and in Milan. It was as a result of the strength of these local nuclei that the National Federations came into being, of which, as already intimated, the activities were of an intermittent and limited character. During and after the war, the work of the National Federation was of no particular importance except as regards benevolent activities. A Congress held in Milan in 1914 to consider a proposal to develop the scope of the Federation, showed the profound difference in policy between the merchants of northern Italy and those of central and southern Italy. After the war the activities of the merchant class found expression mainly in the work of the local associations.

Fascism and the Syndical Organisation of Commercial Men.

§ 2. With the coming of Fascism it was desired to give to the whole Italian commercial class a comprehensive national organisation of the kind which the Confederation of Industry had come spontaneously to adopt. Some of the men who were placed at the head of the movement for founding a Confederation were the same individuals as had already distinguished themselves in local organisation, and the system followed by the old Roman Society of Shopkeepers was in part reproduced in the internal structure of every provincial Federation. Undoubtedly the present adverse economic conditions affect all productive activity and commerce first of all. The employers' organisation set up by Fascism is extensive and complex, but, owing to the exceptional difficulty of the situation, it is not yet possible to appreciate fully the advantages that have accrued to the category thus organised and to the country at large.

Employers in commerce are at present organised in:—

One National Confederation, the Fascist National Confederation of Commerce (*Confederazione Nazionale Fascista del Commercio*);

Fifteen National category-Federations and eighteen

technical committees for the categories not yet ripe for federal independence;

Ninety-two provincial Federations.

The National category-Federations are legally recognised organisations of a technical character, directing the activity of all merchants engaged in the same branch, in which experience has revealed the existence of permanent and uniform technical problems.

The National Fascist Federations are:—

1. The Federation of Managers of Commercial Firms (*Federazione Nazionale Fascista dei Dirigenti di Aziende Commerciali*);

2. The Federation of Commercial Agents and Representatives (*Federazione Nazionale Fascista degli Agenti e Rappresentanti di Commercio*);

3. The Federation of Insurance Agents (*Federazione Nazionale Fascista degli Agenti di Assicurazione*);

4. The Federation of Stockbrokers (*Federazione Nazionale Fascista degli Agenti di Cambio*);

5. The Federation of Hotels and the Tourist Industry (*Federazione Nazionale Fascista degli Alberghi e Turismo*);

6. The Federation of Ancient and Modern Art and Handicrafts (*Federazione Nazionale Fascista Arte Antica, Moderna e Prodotti dell'Artigianato*);

7. The Federation of the Wine and Oil Trade (*Federazione Nazionale Fascista del Commercio Enologico e Oleario*);

8. The Federation of Public Trading Concerns (*Federazione Nazionale Fascista degli Esercizi Pubblici*);

9. The Federation of the Fruit (including citrus fruit) and Vegetable Trade (*Federazione Nazionale Fascista del Commercio Ortofrutticolo e Agrumario*);

10. The Federation of the Metalworking Trade and the Trade in Motors, Motor Cycles and Accessories (*Federazione Nazionale Fascista del Commercio Metallurgico, Automotocicli e degli Accessori*);

11. The Federation of Bakers and Kindred Trades (*Federazione Nazionale Fascista dei Panificatori ed Affini*);

12. The Federation of the Textile Trade (*Federazione Nazionale Fascista del Commercio Tessile*);

13. The Federation of the Coal Trade (*Federazione Nazionale Fascista del Commercio dei Carboni Fossili*);

14. The Federation of the Grain, Pulse, Seed and Fodder Trade (*Federazione Nazionale Fascista del Commercio dei Cereali, Legumi, Semi e Foraggi*);

15. The Federation of the Wholesale Trade in Chemical Products, Drugs and Medicinal Specialities (*Federazione Nazionale del Commercio Ingrosso dei Prodotti Chimici, Farmaceutici e delle Specialità Medicinali*).

The National Technical Committees are internal consultative bodies formed for the study of national problems of interest to the categories not represented by National Federations. They are distinguished, according to the functions of the commercial categories which they represent, as "Technical Committees for Wholesale Trade" and "Technical Committees for Retail Trade." These committees take the place of legally recognised bodies, until such time as the continuity and importance of the problems with which they deal render advisable their gradual transformation into National Federations.

There exist, therefore, such National Technical Committees for:—

Import and Export Houses (*Comitato Tecnico Nazionale Case Import-Export*);

General Warehousing and Storage (*Comitato Tecnico Nazionale Magazzini Generali*);

Timber (*Comitato Tecnico Nazionale Legnami, etc.*);

Foodstuffs (*Comitato Tecnico Nazionale Commestibili Vari*);

Groceries and Preserved Meats (*Comitato Tecnico Nazionale Drogherie e Salumerie*).

The Provincial Fascist Federations of Commerce are territorial syndical associations in which firms and individuals carrying on business in the province are grouped. They are arranged in Provincial Category-Groups (*Gruppi provinciali di Categoria*), corresponding

to the various categories already noted as being represented by National Federations or defended and assisted by Technical Committees. For each category, accordingly, a provincial group is formed, except that categories which include only a small number of persons may be grouped together.

At the end of 1932 the number of persons inscribed as members of the National Fascist Confederation of Commerce was 365,422.

The number of persons represented was 747,884 for the whole of Italy.

VI. NATIONAL CONFEDERATION OF FASCIST SYNDICATES OF COMMERCE

First Occupational Associations, mainly for purposes of Mutual Aid, among Italian Private Employees.

§ 1. Under the head of persons employed in commerce are included various categories of workers and, in particular, agents, representatives, travellers, canvassers, employees of commercial firms engaged in selling (salesmen, waiters, etc.) or in administrative work. From this list it seems clear that the occupational organisation of persons employed in commerce is a difficult matter on account of the various ways in which they are specialised and also of the great number of firms engaged in trade who employ only a small number of persons. This intrinsic difficulty affects also the possibility of obtaining statistics. In fact, although a considerable number of associations of persons employed in trade may be found, there are materials for their history or for periodical statistics of membership in a few cases only. Occupational associations among such persons were to be found as early as the second half of the last century, but many of these had for a long time no distinct syndical character, being only mutual benefit associations. One of the first of these mutual benefit associations was the General Mutual Aid Society of Shopmen and other Trade Employees (*Società Generale di Mutuo Soccorso fra Commessi ed*

Impiegati di Commercio), which was established in 1876. Private employees and shopmen belonged to this Association at the beginning of 1905. They formed, within the General Mutual Aid Society referred to above, a special union known as the Shopmen's and Trade Employees' Club (*Unione di Miglioramento fra Commessi ed Impiegati di Commercio*). This club numbered 1,500 members in 1910 [1] and, besides assisting unemployed or sick members, provided legal assistance in case of disputes with employers. The members were for the most part persons employed in the sale of drapery and white goods and in the administration of commercial and private concerns. Shopmen employed in the sale of foodstuffs were weakly represented, either on account of the difficulty of organising this group or because they had mutual aid organisations of their own.

Even in 1891, well before the end of the century, a Federation of Private Employees (*Federazione di Impiegati Privati*) was formed in Bologna, which came to an end after three years' existence. Next in order of time came the Federation among the Italian Private Employees and Salesmen, with headquarters at Milan. This Federation differed from its predecessors: (*a*) by the large number of its affiliated societies (26 with 4,461 members in 1902) [2]; (*b*) by the strictly occupational character which it was desired to maintain; in fact in 1905 the Committee of Management decided to exclude from the Federation the affiliated societies of a mixed character, that is, those containing both employers and employees; (*c*) by its distinct class character and, in particular, by the socialistic tendency shown in 1905, when it was made compulsory for the affiliated societies to become members of the Chambers of Labour. The objects of the Federation extended far beyond those of mere mutual aid, as an important feature was made

[1] *Le organizzazioni d'impiegati*, p. 176. Ministero Agricoltura, Industria e Commercio, Rome, 1910. Officine Poligrafiche Italiane.

[2] Op. cit., p. 175.

of the protection of the general and political interests, not of the individual members, but of the class, and therefore one among the methods adopted was that of syndical resistance. The Federation, in fact, helped in no small degree to obtain notable successes for the category it represented, such as the weekly rest period, the extension of the law on arbitration to employees and shopmen and the passing of a Bill on the labour contract, achievements of quite remarkable importance for the period. Almost at the same time as this Federation, the National Union of Commercial Travellers and Representatives (*Unione Nazionale fra Viaggiatori e Rappresentanti di Commercio*) was formed, which limited its activities to the protection of the two categories indicated by its title. The origins of the movement, the objects of the society and the first members were to be found among the promoters and supporters of a category-newspaper called *Il Viaggiatore*, which was first published in Turin in 1900. The membership of this association was always limited, but it is noteworthy on account of the policy laid down in its programme which, for the period in which it was expressed, shows clear evidence of syndical maturity in the officers of the association. Many of the movements then in their earliest stages are to-day the basis of the most advanced syndical institutions in Italy and elsewhere. In fact, the association, besides the usual objects of solidarity, of the protection of class interests and of legal assistance for members in case of disputes, proposed the establishment of various forms of sickness and unemployment benefits. A very interesting feature was the so-called "technical funds" (*casse tecniche*), intended to serve as a sort of pension scheme for the benefit of the children of employees, for which an elaborate financial and actuarial programme was put forward by the Union. The legal assistance to members was also particularly emphasised inasmuch as model labour contracts were drawn up for travellers and representatives and as the union made every effort to secure for the occupational

associations the right to represent the category in the negotiations for obtaining a regular labour contract.

The associations so far described were formed among private employees; in fact, the last-mentioned was active only among the members of a very limited category. Thus up to 1910 there was no powerful organisation which could co-ordinate the syndical activities of all private employees as a whole, nor of Italian employees in general, whether belonging to private or to public undertakings.

Syndical Tendency in the Employees' Organisations before the War.

§ 2. Up to 1909, side by side with the associations just discussed and many others which, for the sake of brevity, are here omitted but which carried on their work among the employees in limited areas, there was a National Confederation of Occupational Federations and Associations of Employees in Public and Private Administrations (*Confederazione Nazionale delle Federazioni ed Associazioni Professionali di Impiegati alle Amministrazioni Pubbliche e Private*). This Confederation had become an independent body about 1903, by separating itself from a previously existing General Roman Federation (*Federazione Generale Romana*) which tended to be merely a mutual aid society and was inefficiently organised. The Confederation was anxious to enlarge the field of the interests of the employed class, transferring the struggle to political ground and intervening energetically in political and administrative elections. It succeeded in bringing together the various national occupational associations and endeavoured to form in the more important centres Federal Chambers, to which the representatives of the various occupational associations of the district should belong. The principal questions handled were the weekly Sunday holiday, the legal and economic status of the employees of public bodies, the establishment of employment bureaux and the formation of co-operative societies, particularly for the housing of employees. The Confederation in the practical application of its programme carried on an active defensive propaganda,

availing itself of the support of the General Confederation of Labour. In 1909, on the occasion of the Congress of Rome, which was one of the most important held in connection with the syndical organisation of employees, the Confederation resolved that the organisation of the employees of private firms, etc., should be separated from that of the employees of public bodies, and that its activities should be confined solely to public servants. However, in order that syndical solidarity should be maintained in questions concerning interests common to both categories of employees, the regulations for the Federal Chambers approved by the Confederation allowed private employees to become members of the Chambers for purposes of administrative policy and co-operation, provided they were organised in regularly constituted associations with their own officers and special organs. The reason why the separation happened during the course of the syndical organisation of employees lies in: (1) the homogeneity existing among the State employees in respect of education and of the social milieu from which they spring; (2) equality of treatment in the face of the common employer, that is the organised collectivity of the public authorities in contrast to the private capitalist who is the employer of the private employees;[1] (3) the general conviction on the part of the employees of public bodies that through occupational organisation they could maintain their own material and moral rights as against the State better than by individual action. This opinion was not generally shared by the private employees who, being for the most part dependants of small firms and thus themselves likely to pass into the employing group, considered the objects of the association in the first place from the standpoint of mutual and social assistance. It was not till a later stage that the question of salaries came to the front and still later again that questions of political and syndical organisation became prominent.

The most significant display of the strength of the

[1] Op. cit., p. 20.

employee class prior to the war was on the occasion of the Congress of Bologna held in September 1910, in which the representatives of sixty associations took part. This Congress resulted in the formation of the new National Federation of Private Employees and Salesmen (*Federazione Nazionale degli Impiegati Privati e Commessi di Commercio*). Some time after the Congress of Bologna, and by way of indicating the fusion of all the categories, the Federation began to be called the General Confederation of Private Employment (*Confederazione Generale dell' Impiego Privato*) by its official journal, *Il Miglioramento*, and under this name new rules were approved by a meeting of the general council held at Rome, which became, and remained until 1916, the headquarters of the Confederation. After the war the headquarters were transferred to Milan, the membership increased and its influence on the class of employees and on the public authorities gathered strength. In 1917 the Confederation became affiliated to the Confederation of Labour. While this was advantageous on account of the good relations thus established with the working classes, on the other it involved the loss of the membership and financial support of the National Union of Commercial Travellers and Representatives, of Turin. Other associations took alarm at some instances of untimely action on the part of the Confederation of Labour and, in fear of the consequences and of the possibility of being held personally responsible, also elected to withdraw. Mention may be made of the Association of Employees and Technicians in Factories (*Associazione tra Impiegati e Tecnici di Officina*) which established a Lombard Federation of Industrial Employees (*Federazione Lombarda Impiegati dell' Industria*) with headquarters at Milan in connection with the Bank Employees Federation (*Federazione dei Bancari*), which had grown in numbers and importance.

Thus in 1920 the following organisations of private employees were to be found side by side: the General

Confederation of Private Employment, affiliated to the Confederation of Labour; the Section for Private Employees in the Catholic Confederation of Labour (*Sezione Impiegati Privati della Confederazione Cattolica del Lavoro*); the National Federation of Bank Employees of Italy (*Federazione Nazionale degli Impiegati Bancari d'Italia*); the Federation of Industrial Employees and the National Union of Commercial Travellers and Representatives (known as *U.N.V.E.R.*). These five organisations, although divided by certain differences in political point of view and as regards methods, in substance supported in matters of legislation the General Confederation of Private Employment.[1]

The workers in commerce, after the coming of Fascism, were first organised in the Confederation of Syndical Corporations, under the Corporation of Commerce. After 1926, when the National Confederation of Fascist Syndicates was founded, they became members through the Federation of Fascist Syndicates of Commerce. In 1928 this Federation, as a result of the breaking up of the Confederation of Syndicates, was converted into an independent Confederation under the name of the National Confederation of Fascist Syndicates of Commerce.

§ 3. The organisation of the workers in commerce at present consists in:—

Present Constitution of the Confederation of Syndicates of Commerce.

One National Confederation, the National Confederation of Fascist Syndicates of Commerce;

Six National category-Federations;

Ninety-two provincial Unions.

The national category-Federations cover the employees and workers in:—

1. Commercial Undertakings for Warehousing and Sales (*Federazione Nazionale dei Sindacati Fascisti dei Dipendenti da Aziende Commerciale di Deposito e Vendita*);

[1] For the information on the private employees' movement after the war the writer is indebted to the courtesy of Signor Paolo Brùgora, chartered accountant.

2. Commercial Firms and Professional Offices (*Federazione Nazionale dei Sindacati Fascisti dei Dipendenti da Esercenti Attività Commerciali Varie e da Studi Professionali*);

3. Hotels, Restaurants, Refreshment Houses, etc. (*Federazione Nazionale dei Sindacati Fascisti Dipendenti da Esercenti Alberghi e Pubblici Esercizi*);

4. Baking, Pastry-making and Kindred Trades (*Federazione Nazionale dei Sindacati Fascisti Lavoranti Panettieri, Pasticcieri ed Affini*);

5. Hairdressing and Kindred Trades (*Federazione Nazionale dei Sindacati Fascisti Dipendenti da Barbieri, Parrucchieri ed Affini*);

6. Street Marketing, etc. (*Federazione Nazionale dei Sindacati Fascisti Venditori Ambulanti*).

The provincial Unions are internally divided into syndicates corresponding with the National category-Federations.

At the end of 1932 the number of members inscribed in the National Confederation of Fascist Syndicates of Commerce was 350,632.

The persons represented numbered 650,000 for the whole of Italy.

VII. NATIONAL FASCIST CONFEDERATION OF SEA AND AIR TRANSPORT

§ 1. The National Fascist Confederation of Sea and Air Transport (*Confederazione Nazionale Fascista delle Imprese Trasporti Marittimi ed Aerei*) had its origin in the regional shipowners' organisations previously existing and was established in November 1926.

Shipowners' Organisations before and under the Fascist Régime.

During the pre-war period the Federation of Italian Independent Shipowners (*Federazione Armatori Liberi Italiani*), with headquarters at Genoa, was the only association of this kind. It included in its membership almost all the Italian owners of merchant ships

serving the ports on the Tyrrhenian Sea and some also of the ports on the western shores of the Adriatic. This Federation was formed in the years in which there were frequent and bitter disputes between the seamen and the shipowners. The seamen were organised in the Italian Federation of Sea Workers (*Federazione Italiana dei Lavoratori del Mare*), which had become exceedingly powerful. Hence it became necessary for the shipowners to form their own organisation for safeguarding their proper interests and for self-defence against the often absurd claims of the seamen.

The Federation of Italian Independent Shipowners, throughout and after the war, continued to work for the protection of the interests of its members and remained in existence until the present time. It has now become incorporated in the National Fascist Confederation of Sea and Air Transport, under the title of the Fascist Federation of Owners of Merchant Ships of the Tyrrhenian Sea (*Federazione Fascista degli Armatori di Navi da Carico del Tirreno*), with its membership limited to owners registered in the Upper Tyrrhenian ports. Immediately after the war a Federation was formed in Genoa among the large passenger steamship companies under the name of the Federation of Italian Shipowners (*Federazione degli Armatori Italiani*). Almost at the same time the Federation of Shipowners of the Julian Venetia (*Federazione degli Armatori della Venezia Giulia*) was established in Trieste and soon afterwards the Federation of the Shipowners of the Western Adriatic (*Federazione degli Armatori dell' Adriatico Occidentale*) in Venice itself. The shipowners of the Adriatic ports, who had previously belonged to the Federation of Italian Independent Shipowners, became members of the last-named Federation.

Up to the middle of 1926 these organisations were affiliated to the General Confederation of Italian Industry.

It became clear that it was necessary to organise separately the Federations representing sea transport and, as already stated, the National Fascist Confedera-

tion of Sea and Air Transport was formed. To this Confederation, in addition to the organisations mentioned, there was also affiliated the National Fascist Federation of Air Transport (*Federazione Nazionale Fascista Imprese Trasporti Aerei*), representing the companies working the civilian air services. Subsequently the Fascist Federation of the Shipowners of Sicily (*Federazione Fascista degli Armatori della Sicilia*) was formed to include the owners of merchant ships belonging to all the Sicilian ports.

In 1930 the Fascist Federation of Shipowners of Continental Southern Italy (*Federazione Fascista degli Armatori dell' Italia Meridionale Continentale*) was established on behalf of the owners of cargo and passenger vessels registered in the ports of southern Italy. In the same year also there was constituted the National Fascist Association of the Higher Officials of Sea and Air Transport (*Associazione Nazionale Fascista dei Dirigenti di Imprese Trasporti Marittimi ed Aerei*), in which the administrative and technical officers of the companies, as well as the captains and masters in command of Italian merchant vessels, are enrolled.

Steps are now being taken to institute and obtain legal recognition for a National Fascist Association of the various enterprises subsidiary to the Mercantile Marine and to Air Navigation (*Associazione Nazionale Fascista delle Attività Sussidiarie della Marina Mercantile e della Navigazione Aerea*).[1]

Distinguishing Features of the Confederation.

§ 2. The structure of the Confederation is not very clearly defined as the different organisations with which it and the affiliated associations are concerned have extremely varied economic requirements and are carried on in widely differing areas. The dominating importance of the northern ports, particularly Genoa and Trieste, has localised in these centres many shipping businesses, but as their interests cover a wide field it is indispensable to extend

[1] Information kindly supplied by Commander Coda of the Confederation of Sea and Air Transport.

the area of the operations of the associations to a number of districts on the Italian coasts. Thus there are in fact three inter-regional Federations affiliated to the National Fascist Confederation, namely:—

(1) The Federation of Owners of Regular Shipping Services on the Tyrrhenian Sea (*Federazione degli Armatori di Linea del Tirreno*). To this Federation belong the associations of shipowners who are mainly owners of passenger vessels and provide passenger services, their ships being registered in ports on the Tyrrhenian Sea or their central office situated in one of such ports;

(2) The Federation of Owners of Merchant Ships of the Tyrrhenian Sea (*Federazione degli Armatori delle Navi da Carico del Tirreno*), to which belong the associations of shipowners whose fleets largely consist of merchant vessels, all other conditions being equal;

(3) The Fascist Federation of the Shipowners of the Eastern Adriatic (*Federazione Fascista degli Armatori dell' Adriatico Orientale*), to which are attached the associations of shipowners owning vessels of any kind registered in the ports of Trieste, Fiume or Zara, or whose central office is in one of these ports.

Two minor associations are affiliated to the Federation of Owners of Shipping Lines of the Tyrrhenian Sea—namely, the Association of Owners of Independent Fleets and the Association of Owners of Subsidised Lines. To this Federation is also affiliated the Association of Owners of Merchant Ships with headquarters at Genoa. Similarly two associations are affiliated to the Federation of Shipowners of the Eastern Adriatic, the Association of Owners of Eastern Adriatic Passenger Ships and the Association of Owners of Eastern Adriatic Merchant Shipping.

The following Federations—namely, the Federation of the Shipowners of Sicily, the Federation of the Shipowners of Continental Southern Italy and the National Fascist Association of the various enterprises subsidiary to the Mercantile Marine and to Air Navigation—belong

to the National Fascist Confederation of Sea and Air Transport.

Lastly, two large national associations, the National Federation of Air Transport, which has already been mentioned, and the National Association of the Higher Officials of Sea and Air Transport, are also attached to the Confederation.

At the end of 1932 the number of members inscribed in the National Fascist Confederation of Sea and Air Transport was 1,465, representing 2,038 firms for the whole of Italy.

VIII. THE NATIONAL CONFEDERATION OF FASCIST SYNDICATES OF SEAMEN AND AIRMEN

Syndical Consequences of the altered relations between Shipowners and Seamen.

§ 1. The first compilations of maritime law, having particular reference to the position of the workers in relation to their employers, date back to the second half of the eighteenth century. The rules which form, for example, the "Edict on the Shipping and on the Maritime Navigation for Tuscany" ("*Editto di Marina e Navigazione Marittima per la Toscana*"), dated 1748, or the code for the Venetian Mercantile Marine (*Codice per la Veneta Mercantile Marina*), dated 1786, and similar compilations of the time, initiate the regularisation of labour relations, by granting to the seaman all those advantages which derive from the explicit recognition of his rights as a worker, thus making it possible for him the more easily and rapidly to obtain justice in case of the non-fulfilment of agreements on the part of his captains. On the other hand, the specification of the obligations on the part of the employers limited their previous responsibilities towards their dependants, to which a rather wide interpretation had always been given.

In the case of seamen the labour contract represented a unique relation characterised by a spirit of collaboration between master and man and by an absence of

fixed rules, while it was almost always verbal and based on customs determined by centuries of usage.

The underlying reasons for these special features are to be found in the continuous contrast between employers and workers, in the "family" character of the occupation in many cases, in its localisation and in the fact that the workers fall naturally into small groups as contrasted with the concentration which even in the past was a distinguishing mark of the manufacturing industry.

In consequence of the change that took place in the shipping industry as the result of the development of traffic, of the adoption of new mechanical means and, in general, of the improved organisation of the services, the nature of the relation between the shipowner and his personnel changed its character. The two parties were now, on the one hand a single owner often representing a powerful and impersonal company, and on the other a crew consisting of many individuals bound only by short-time contracts. These contracts were not sufficient to guarantee continuous employment since, owing to the increase in the average tonnage, the possibilities of employing labour on board were greatly reduced. At the end of the last century, in consequence of the industrialisation of navigation, the position of the seamen in relation to their employers was worse than it had been previously. The legal guarantee given by these contracts served only in part to protect labour since, instead of being a real advantage as regards the conditions of employment, the contract mainly gives a possibility of the legal establishment of the rights of the worker should the employer fail to carry out its terms.

The difficult situation of the workers in the shipping industry, and particularly the change that had occurred in the relations between the persons employed and their employers, caused the seamen to form leagues in order to obtain by the union of all their forces the advantages and the security they had formerly enjoyed.

The first leagues of seamen were founded merely for purposes of mutual aid in cases of sickness and unemployment and only in the early years of the present century was a deliberately syndical attitude assumed. In 1901 the National Federation of Seamen (*Federazione Nazionale dei Lavoratori del Mare*) was formed in Genoa. Its object was to improve the position of the members by working for the drafting of model contracts of engagement and for the regulation of service on board ship. The first uprising on the part of the workers drove the shipowners to form their own Employers' Federation as a counterpoise to the seamen's organisation. The practical results of the movement were modest enough, consisting in the establishment of an employment office by the shipowners and the beginning of negotiations between the shipowners and the representatives of the seamen for the drafting of a new model contract. The wishes of the seamen were met to some degree in certain model contracts drawn up by some of the largest navigation companies on their own account.

At this stage a club was formed in Genoa among the ships' officers belonging to the Italian General Navigation Company (*Società di Navigazione Generale Italiana*), which took specific action of a syndical character, both by supporting the associative movement among transport workers and by taking part in strikes declared for the purpose of obtaining improved conditions of engagement. In regard to this society it is particularly noteworthy that, though its members were drawn from the higher ranks of the ships' companies, it took action absolutely in line with the rest of the workers of the category.

The negotiations between the representatives of the seamen and of the shipowners hung fire, so that the seamen decided to strike in order to obtain by force a model contract corresponding to their desires. About 1906 the more important Italian navigation companies granted a large measure of the demands of the workers. In spite of this first victory syndical disputes never ceased,

partly because the advantages obtained in practice by the seamen as a result of the new model contracts did not fulfil their expectations and partly because only a few of the large navigation companies had accepted them, the majority of the seamen thus remaining in the old conditions of insecurity. The numerous strikes which occurred after the recrudescence of disputes were probably not so successful as the workers had hoped, so that in later years the National Federation of Seamen largely changed its tactics and "attempted to resume the method of agreements, either arranged directly or through the medium or under the auspices of the Government."[1] In 1907 the Federation of Italian Shipowners recognised that the demands of the seamen were well founded and granted an increase of wages to the lower grades. In the years preceding the world war, during which the tonnage of the Italian Mercantile Marine was continually increasing, various agreements in connection with contracts of engagement were made by the more important companies and collective contracts were arranged between syndical associations, representing the seamen and the shipowners.

The world war did not greatly modify the syndical position of the seamen, inasmuch as, besides the model contracts, arranged before the war on behalf of the principal companies, a model contract was drawn up by the Government on the basis of those previously mentioned and adopted for the steamships requisitioned by the State. The main factors introduced by the war into the relations between employers and personnel were: (*a*) penal legislation against any persons, whether shipowners or members of crews, who should in any way have delayed the sailing or hindered the proper utilisation of the ship; (*b*) arbitration for the decision of wages disputes.

§ 2. The post-war activity of the National Federation of Seamen, now known as the Italian Federation of

[1] Enrico Mandillo, *Il Contratto di lavoro della Gente di Mare*, p. 53. Tipografia Nazionale, Genova.

Seamen (*Federazione Italiana Lavoratori del Mare*), had

Syndical Movement of Italian Seamen after the War and under the Fascist Régime.

considerable importance in political history and in the history of the organisation of the workers in Italy. The Federation supported the action taken for the annexation of Fiume to Italy, and the help it gave was decisive. On the other hand, the attitude of the Federation, especially as seen in the work of its officers, showed itself to be extremely dangerous to Italian shipping interests since, through its defence of the interests of its members, it contributed not a little to worsening the situation of Italian maritime navigation, already rendered sufficiently difficult by reason of the continual fluctuations in the freight market. The Italian Federation of Seamen was successful in inducing the Government in 1919 to nominate a Royal Commission to inquire into the question of the wages and collective labour contracts of seamen. In 1920 it secured approval for a model contract, which to this day represents the Magna Carta of the results attained in this branch of labour. The success of the workers was, however, short-lived. The shipowners, irritated by the continual and exorbitant demands made by the Federation and impelled by the difficulties of the situation in which the shipping industry found itself, repudiated the contract of 1920, for which another contract by no means favourable to the seamen was substituted in 1921. Within a year, as a result of the policy of conciliation between capital and labour introduced by Fascism, and through the personal intervention of Gabriele d'Annunzio, the representatives of the seamen and of the shipowners again entered into negotiations and drew up two new syndical agreements for cargo and passenger boats respectively, which remained in force until 1924.

As a result of these agreements the position of the seamen was improved, though still remaining in certain respects somewhat precarious. It was during this period that profound changes in the syndical organisation of this category took place. At the Syndical Congress of

Bologna, the Corporation of Seamen (*Corporazione della Gente di Mare*) was formed by the Fascists with the object of neutralising the factious activities of the Federation. Through the intervention of Gabriele d'Annunzio, who interested himself in the seamen's syndical organisation, the Fascist Corporation was dissolved, following on a compact that he made with Mussolini himself. The syndical activity of the Italian Federation of Seamen did not, however, show any substantial change and the incompatibility between the policy of this body and that of the newer Fascist institutions only seemed to become still further pronounced. In 1924 the Federation was dissolved and was succeeded by the Fascist Seamen's Association (*Associazione Marinara Fascista*), which remained in being until 1926, when the Independent Fascist Federation of Sea and Air Transport Workers (*Federazione Fascista Autonoma Adetti ai Trasporti Marittimi ed Aerei*) was constituted. By these successive changes the syndical organisation of the seamen took on a character increasingly in accord with Fascist principles. In 1928 the independent Fascist Federation was transformed into the National Fascist Confederation of Seamen and Airmen (*Confederazione Nazionale Fascista della Gente del Mare e dell' Aria*), so that all grades of persons engaged in sea and air transport were covered by the federal organisation. Fascist reforms on their corporative side still further improved the position of the seaman class. The new collective contracts are highly comprehensive and detailed and provide for every aspect of the service relations that bring the seaman and his employer together. While the conditions of the upper-grade workers have not been substantially modified, the lower-grade workers, such as engine men and stokers, have obtained a larger measure of protection in the latest collective contracts, whether serving in passenger or in cargo boats.

§ 3. The organisation of the sea and air transport workers has a special character owing to the nature of

this particular class of employment and to the form which the earlier organisations had assumed in consequence.

Present Constitution of the Confederation.

As a result of the mobility which is the special feature of their calling it has not been found possible to organise the airmen and seamen in associations with a large number of sub-groups and they have therefore been assigned to four main associations. The first three include the sea transport workers and are the following:—

1. The Association of Officers of the Mercantile Marine (*Associazione Nazionale Fascista degli Ufficiali della Marina Mercantile*);

2. The Association of Petty Officers and Ordinary Seamen of the Mercantile Marine (*Associazione Nazionale Fascista dei Sottufficiali e Comuni della Marina Mercantile*);

3. The Association of Employees in the Marine Transport Offices (*Associazione Nazionale Fascista degli Impiegati delle Comunicazioni Marittime*).

The fourth includes the air transport workers:—

4. The Association of Employees and Workers in Air Navigation (*Associazione Nazionale Fascista degli Impiegati ed Operai della Navigazione Aerea*).

In its internal structure the Confederation is divided into two main divisions, the Syndical Division (*Divisione Sindacale*) and the Division for Assistance (*Divisione Assistenziale*). To the Division for Assistance belong those bodies which, in accordance with the law and regulations on collective labour relations, may be attached to syndical associations for purposes connected with social assistance and welfare. Thus this Division sets out to provide for sea and air transport workers assistance of a material and cultural order, by the institution and development of benefit funds and the organisation of facilities for occupational training and general education.

The purposes of the Syndical Division are such as have already been noted in connection with the syndical work of the other Confederations—namely, the study

and solution of problems relating to labour relations, the preparation of the material on which the proposals for collective contracts may be based, protection of the interests and submission of the requests of members, and provision for the diffusion, interpretation and explanation of corporative principles.

At the end of 1932 the number of members inscribed in the National Fascist Confederation of Seamen and Airmen was 50,772.

The persons represented numbered 124,648 for the whole of Italy.

IX. NATIONAL FASCIST CONFEDERATION OF INTERNAL COMMUNICATIONS

Technical and Syndical Work of the Associations for Land Transport Enterprises.

§ 1. In the field of land transport, before the establishment of the National Fascist Confederation of Land Transport and of Internal Navigation (*Confederazione Nazionale Fascista dei Trasporti Terrestri e della Navigazione Interna*), there was no real tradition of organisation, except in connection with the larger undertakings.

The oldest organisation is that of the railway and tramway companies, which dates back to 1886. In that year two bodies were formed, the Tramway Union (*Unione Tramviaria*) and the Association of Railways worked under Concessions (*Associazione della Ferrovie Concesse*), which were almost immediately amalgamated to form the Transport Federation (*Federazione dei Trasporti*), maintaining, however, their administrative independence. The private undertakings carrying on lake and lagoon navigation became members of the Association of Railways worked under Concessions.

The Transport Federation had its council of management, half of which consisted of representatives of railway companies and half of representatives of tramway undertakings; at the same time, each of the two constituent bodies had its own council with purely administrative functions. The Federation comprised all the rail-

way and tramway companies and the undertakings carrying on navigation under concessions. The headquarters were in Milan, but from 1920 onwards there was also a managing committee in Rome. The annual receipts of the Federation were derived from contributions calculated on a mixed basis of the length of the lines worked by the members and of the traffic returns. The Federation's activities were mainly technical and economic and only indirectly and unofficially syndical in character.

The relations between employers and workers in railway and tramway companies before and immediately after the war gave rise from time to time to acute conflicts. The railway and tramway workers aimed at obtaining the same level of wages and the same advantages as had been secured by their colleagues who had become State employees on the railways, and accordingly they entered upon a determined struggle with the private tramway and railway companies, until in 1912 they succeeded in securing the first law on Equitable Labour Conditions. In this law were laid down, on broad lines, all the accessory conditions of employment for the staff and certain conditions relating to insurance, but not the scale of wages, which, in the event of disagreement between the workers and the employing companies, was to be determined by means of arbitration. The law was further provided to guarantee continuity of labour and forbade the workers under certain conditions to strike. The application of this law, up to the outbreak of war and afterwards, particularly as a result of the establishment of the Mixed Commission of Equitable Labour Conditions in 1919, was always influenced by political motives, so that, in the opinion of the employers, the value of the fair dealing that it so strongly advocated was largely nullified.

The Transport Federation, on the formation of the first Fascist Workers' Syndicates, began to a limited extent to take action with a view to the fixing of labour contracts and took part officially in the negotiations with

the representatives of the workers, this being an entirely new departure.

The firms which were members of the Federation numbered 227 in 1926 and it was dissolved in September of that year in consequence of the establishment of the National Fascist Confederation of Land Transport and Internal Navigation.

The motor services also had their own organisation, the first nucleus of which was established about 1910; subsequently this organisation was divided into two rival associations. At the time of the establishment of the Confederation in 1926, the two bodies had a total membership of 780 undertakings. The other transport businesses which became members of the Confederation had not previously possessed any organisation at all.

§ 2. The organisation of the employers in land transport and internal navigation at present consists of:—

Present Constitution of the Confederation.

One National Confederation, the National Fascist Confederation of Internal Communications (*Confederazione Nazionale Fascista delle Comunicazioni Interne*);

Three National category-Federations;

One National Association of Managers of Firms engaged in Internal Communications and Auxiliary Undertakings (*Associazione Nazionale Dirigenti di Aziende delle Comunicazioni Interne ed Attività Ausiliarie*);

One National Federation of Electrical Communications (telephone, radio, etc.) (*Federazione Nazionale Fascista delle Comunicazioni Elettriche*), to which individual firms belong directly;

Fifteen inter-provincial Unions.

The national category-federations are:—

1. The National Fascist Federation of Lake and River Navigation (*Federazione Nazionale Fascista della Navigazione lacuale e fluviale*);

2. The National Fascist Federation of Auxiliary Undertakings (*Federazione Nazionale Fascista delle Imprese Ausiliare*), to which are affiliated: (*a*) forwarding agencies; (*b*) garage businesses; (*c*) firms engaged in

loading and unloading goods; (*d*) railway cleaning firms; (*e*) agencies for the delivery of letters and parcels; (*f*) telegraph messengers, etc.; (*g*) tourist agencies and, in general, all classes of undertakings which assist, facilitate or supplement land transport and internal navigation;

3. The National Fascist Federation of other Forms of Transport (*Federazione Nazionale Fascista dei Trasporti Vari*).

These national organisations can naturally, if required, set up regional or provincial agencies.

The Federations here enumerated do not include all forms of business undertakings coming within the purview of the Confederation of Internal Communications, but, instead of forming additional Federations, for the moment a Technical and Economic Committee has been set up as being better adapted to secure the desired co-ordination. This Committee is divided into sections and so can study separately the problems connected with each branch of the transport activities represented in the Federation. The territorial organisation on the other hand centres round the fifteen regional and inter-provincial Unions. For purposes of internal organisation only, each regional association is divided into sections which for the whole of the national territory must belong to the Federation above named.

At the end of 1932 the number of members inscribed in the Confederation of Internal Communications numbered 11,576.

The number of persons represented was 29,682 for the whole of Italy.

X. NATIONAL CONFEDERATION OF FASCIST SYNDICATES OF INTERNAL COMMUNICATIONS

Outline of the Syndical History of:

§ 1. The National Confederation of Syndicates of Internal Communications deals with the workers and employees of the secondary railways, i.e., those not managed by the State, and of the tramway lines, river and lake communications, as well

as motor-drivers and employees of undertakings engaged in transport and communications, persons employed in electrical communications (telephone, telegraph and wireless operators on land employed by private firms), persons employed in complementary transport services (porters, watchmen, cab-drivers, carters, auxiliary workers in undertakings for street cleaning, for forwarding, for loading and unloading goods), and lastly the port workers who unload cargo. The workers and employees of the railways, which are managed in Italy as a State monopoly, are considered as public officials and accordingly are organised in the Association of Public Employment (*Associazione del Pubblico Impiego*), which is under the control of the Directorate of the Fascist National Party.

Persons employed in air communications and in maritime, including coastal, navigation are enrolled in the Confederation of Seamen and Airmen.

Many branches of business activity, which come within the purview of the Confederation of Syndicates of Internal Communications, are completely new to syndical organisation. Thus the motor-drivers, by reason of the comparatively recent development of motor transport, and the employees of undertakings engaged in transport and communication had been originally included in the general class of employees or associated with the railwaymen and tramwaymen and were only recently separated and treated as a special category. The persons employed in complementary transport (porters, station watchmen, etc.) have no great occupational cohesion and accordingly, excluding certain co-operative leagues of carters in Emilia and Romagna formed from about 1912 to 1918, no precedents for their syndical organisation call for notice here.

(*a*) Railway and Tramway Workers.

The category of railway and tramway workers can boast the longest syndical tradition. In Italy as elsewhere the organisations for mutual aid and for syndical purposes among persons employed in railway services were the first to be formed. The specialisation required in the workers, the uniform con-

centration of work in certain districts, their practically uniform educational standard, are all factors that facilitate the formation of occupational associations. The first associations, which were merely local and for the most part formed for purposes of mutual aid, arose in Italy between 1870 and 1880. In 1877 the association of the engine-drivers and firemen employed by the *Società Alta Italia* included in its programme, in addition to the promotion of mutual aid, "class betterment," deliberately following the rules of foreign associations of the type of the English Trade Union and the American League of the Knights of Labour. This association and the others which followed it about 1890 covered the railway staffs of the most important private companies then existing and took up political attitudes, for the most part socialistic, in the defence of class interests. The conflicts about 1894, at the time of the League of Italian Railwaymen (*Lega dei Ferrovieri Italiani*), were of unprecedented violence owing to the fighting spirit of the workers' associations, to the firmness of the employers in refusing to grant improved conditions to the workers and, above all, to the anti-Socialist attitude assumed by the then President of the Council of Ministers, Francesco Crispi. The cardinal object of the railwaymen was to secure a scale of wages which would fix irrevocably the rights and privileges of the staff. The struggle between the private railway companies and the railwaymen, organised in the early years of the present century in independent groups according to their occupational specialisation (operatives, drivers and firemen and employees), lasted, with varying fortunes, until 1904, when the Italian railway service was taken over by the State, with the exception of some lines of secondary importance. The consequences of this change were remarkable from the syndical point of view because the category obtained very considerable improvements, even though not completely fulfilling the expectations of the workers. In addition, through the adoption of a scheme of service conditions which had

long been the goal of the railwaymen, they obtained fixity of tenure in their employment. As the category now came directly under Government control, the legal status of the railwaymen from the syndical point of view was, in practice, profoundly modified. In subsequent years laws were promulgated which made a strike in these public services an offence and therefore punishable. The railwaymen's syndical associations, before the war and after the armistice, before the advent of Fascism, were of considerable importance, even as regards the railway administration, and continued to take in the great majority of the railway workers and employees. Nor, in spite of the laws, could strikes be avoided in some cases. But for the most part these strikes were of a political character, declared for reasons of class solidarity, the principal railwaymen's associations belonging to the Socialist General Confederation of Labour, and were not movements with an economic purpose.

In the private companies, as also among persons employed in the tramway and in internal navigation services carried on under concessions (which are those of chief interest here in view of the present organisation of the Confederation now under discussion), after the railways were taken over by the State, the movement to secure a legal status analogous to that obtained by the railwaymen who had become directly dependent on the State grew in strength. Relying on the fact that they were responsible for working the most delicate services of communication, the railway and tramway men used the strike as a weapon for obtaining wages which made a higher standard of living possible, and also for political purposes. The law by which the demands of the workers were to a large extent granted after years of more or less successful struggle was the law of 1912 on Equitable Labour Conditions. As a result of this law which was amended in 1919 in favour of the workers, a bilateral Commission representing employers and employed was set up to decide wages disputes and

rules were laid down establishing the duties of this category. The regulation of labour relations in the Fascist Régime was limited, as concerned the railway and tramway men, to the issue of rules for the casual workers who were engaged in large numbers by the employers, but were in a precarious situation and in conditions of inferiority as compared with the railway and tramway servants, employed on a stable footing and benefiting by the rules of the law on Equitable Labour Conditions.

(*b*) Employees in the Telephone Services.

The syndical history of the workers employed in electrical communications in Italy turns chiefly on the fortunes of the employees engaged in the telephone services. The public telephone services in Italy, previously privately managed, were in 1907 taken over by the State, which bought out the installations of certain important private companies. As a result of the transfer of these services to State control, the conditions of the employees were assimilated to those previously allowed only to the Government postal, telegraph and telephone personnel. Side by side with the management of the more important telephone lines smaller companies were to be found, for the most part working under concessions, the employees of which had conditions of service determined by special regulations and differing from that of the State employees. These employees combined to form various small syndical associations and endeavoured after the war to obtain relief from the distressed condition in which they found themselves as a result of the increased cost of living.

In 1919 the Association of Telephone Employees of Parma (*Associazione Telefonici di Parma*) declared a strike for the purpose of obtaining the same rate of wages as the Government telephone employees. Other associations of telephone operators belonging to concessionary companies supported the movement, which had the practical result of securing the establishment of a commission of Equitable Labour Conditions for telephone operators on

the principles adopted for the workers engaged in public transport services. On the basis of this decision, the telephone employees secured conditions analogous to those enjoyed by the State telephone service. In 1925 the State, partly in consequence of the necessity for renewing the plant, transferred the telephone services to private management, the concession being subject to certain conditions whereby the renewal of the installations and the efficiency of the services were guaranteed.

(*c*) Dock Labourers.

The syndical history of the dock labourers is one of the oldest and most characteristic. The workers in almost all the principal ports of the Kingdom, as in other countries, are organised in co-operative societies, admission to which is governed by special rules. These co-operative societies, federated in the past in powerful associations, have almost always enjoyed the monopoly of unloading at the ports. They have brought severe pressure to bear on the public and on employers, as they are able, whenever they may think fit, to interrupt the port service by withholding their service. This monopoly system was complicated by the fact that the members of the dock labourers' co-operative societies handed on their membership from father to son, thus sometimes establishing a closed caste. During periods of unemployment the membership card or badge was handed over for the day to an unemployed person in return for a substantial compensation. Thus it not infrequently happened that a member of the co-operative society received at the end of the week a considerable wage without having taken any part in the work at the port. Moreover, the work was carried out by hungry and inexperienced labourers with serious detriment to the regularity of the services and to the health of the labourers themselves. Fascism put an end to this state of affairs by:—

(1) Instituting the keeping of registers for this category so as to secure effective control of the labour supply;

(2) Setting up port labour offices for the purpose of

supervising the management and working of the port associations, of settling without provisional formalities individual disputes regarding the work performed and the application of the scale of charges as between employers and workers and of controlling the work itself, the hours of labour and the application of disciplinary measures. As a result of this provision it was arranged that the fines should be paid into a special fund to be allocated solely to premiums and grants to the workers;

(3) Establishing gangs of dock labourers, thus enabling them to undertake loading and unloading jobs without recourse to agents.

§ 2. The syndical organisation of the workers employed in land transport and internal navigation is now supplied by:—

Present Constitution of the Confederation.

One National Confederation, the National Confederation of Fascist Syndicates of Internal Communications;

Six National category-Federations;

Sixteen inter-provincial Unions covering certain areas.

The six National Federations of Fascist Syndicates consist of:—

1. Railway and tramway men and persons employed in internal navigation (*Federazione Nazionale dei Sindacati Fascisti dei Ferrotramvieri ed Internavigatori*);

2. Dock labourers (*Federazione Nazionale dei Sindacati Fascisti dei Lavoratori dei Porti*);

3. Motor-drivers (*Federazione Nazionale dei Sindacati Fascisti degli Autisti*);

4. Employees of firms engaged in transport and communications (*Federazione Nazionale dei Sindacati Fascisti degli Impiegati di Aziende di Trasporto e Comunicazioni*);

5. Telephone- and radio-operators, etc. (*Federazione Nazionale degli Addetti alle Comunicazioni Elettriche*);

6. Persons employed in complementary transport (*Federazione Nazionale dei Sindacati Fascisti Addetti ai Trasporti Complementari*).

The inter-provincial Unions are the organs of the Confederation with internal sub-divisions mainly taking the form of local offices, not legally recognised but acting as organs of co-ordination and liaison in connection with the category distinction referred to in discussing the National Federations.

At the end of 1932 the number of enrolments in the National Confederation of Syndicates of Communications was 194,230 and the number of persons represented was 303,352 for the whole of Italy.

XI. NATIONAL FASCIST CONFEDERATION OF CREDIT AND INSURANCE

First Associations, mainly technical in character, among Bankers.

§ 1. The movement for association among banks and financial institutions in Italy was inspired by professional motives and only in the years immediately preceding Fascism were syndical problems faced on the ground of an open class struggle.

The movement really began at the end of last century in connection with the minor credit institutions and particularly the Co-operative Banks. These, which are better known under the name of Popular Banks, combined in 1874 to form an association for protecting the material and legal interests of the member institutions. In 1882 the Association of Rural Banks (*Associazione fra le Casse Rurali*) was formed. These rural banks were small banking institutions providing credit facilities for the less well-to-do farmers. Such institutions only employ a very small number of persons and it is not in this class of bank that disputes with employees are likely to arise, such as would require settlement by syndical intervention.

The more important banking institutions had for a long time no associations either of a technical or of a syndical order.

The first large organisation of bankers in Italy was the Italian Banking Association (*Associazione Bancaria*

Italiana), formed in 1919 as a result of two movements arising in different quarters, one among the large credit institutions and the other among a group of smaller banks and private bankers.[1]

Previously there had been no organisation in Italy which could bring together the institutions engaged in credit operations and render such technical and other services as those provided in other countries by banking associations of long standing, well equipped and issuing their own publications, etc. The difficulty of setting up an organisation of this kind in Italy was due to the variety of the banking institutions and to the diversity of their particular interests. This is clear from the fact that when a movement for the establishment of an association arose, the two tendencies to which reference has been made at once manifested themselves, threatening not only to diminish the representative and economic influence of the organisation, but even to give rise to antagonisms. To obviate this risk the association was planned on comprehensive lines, leaving sufficient independence to the separate banking groups.

Thus arose the Italian Banking Association which was duly constituted at a meeting held on 13 April 1919. It had offices in Rome and in Milan. All profit-making was excluded and the objects were specified as follows:—

(*a*) To encourage the orderly development of the national financial and banking movement in harmony with the legitimate protection of the interests common to the various categories of member institutions;

(*b*) To promote and make known the interests and demands of the banking class by suitable action with the public authorities, including Parliament and the Legislature;

(*c*) To provide by means of a Permanent Advisory Office (*Ufficio Consultivo Permanente*) for the interpretation and explanation of legislative provisions, especially in fiscal matters, and of the principles of banking;

[1] This information is supplied by the courtesy of the General Fascist Banking Confederation (*Confederazione Generale Bancaria Fascista*).

(*d*) To secure and maintain good understandings between the member institutions, assisting the parties, on their request, to arrive at amicable settlements, even when the question at issue is not general in character;

(*e*) To encourage the growth of the knowledge of banking principles and technique, the determination of customary procedure, and statistical and economic studies;

(*f*) To enter into relations with analogous societies and federations in Italy and elsewhere.

To ensure that independence to which attention has been directed, the association was divided into five groups, each having its own council, the members of the five councils combining to form the General Council. The association was, therefore, composed of the following groups:—

National Credit Institutions (*Istituti Nazionali di Credito Ordinario*);

Regional Credit Institutions (*Istituti Regionali di Credito Ordinario*);

Private Bankers (*Banchieri Privati*);

Co-operative Credit Institutions with Limited Liability (*Istituti Cooperativi di Credito a Responsibilità Limitata*);

Finance Corporations (*Istituti Finanziari*).

To these five groups must be added that of the corresponding members, to which may belong Italian banks in foreign countries and foreign banks in which Italian banks are interested or Italian capital is invested.

The policy of the association from its very beginnings was designed for the benefit of the member institutions, and it dealt with questions of general interest to banks, both in regard to the internal relations between the various banking institutions and in regard to their relations with State Departments.

In addition it carried on propaganda for the diffusion of instruction in economics and in the knowledge of banking technique. For this purpose it publishes the *Rivista Bancaria*, a monthly review which follows economic

developments both Italian and International, and deals with legal and technical questions connected with banking. The association also publishes the Yearbook of Italian Banks and Bankers (*Annuario delle Banche e Banchieri d'Italia*), which tabulates the most important statistics not only for the banking institutions in Italy, but also for similar institutions in other countries, the capital of which is wholly or in large part Italian.

At the annual general meeting of the association a full report on the economic and financial condition of the country is presented and questions of special and immediate importance for the banks are discussed. Membership of the association is not compulsory, but in practice a large proportion of the banks are enrolled. The conditions for admission to membership are: (*a*) not less than five years standing; (*b*) the consent of the Council.

Organisation of Banks under the Fascist Régime.

§ 2. As a result of the law of 3 April 1926 and on the motion of the Italian Banking Association, the General Fascist Banking Confederation was instituted as the supreme organisation in Italy representing the banks and the auxiliary credit institutions. This Confederation was divided into two independent sections as follows, each having its own administration and separate balance-sheet:—

A. The Economic and Financial Section (*Sezione Economico-finanziaria*), which is voluntary and subsidiary in character, membership being confined to such institutions as expressly apply for admission and make a special contribution.

B. The Syndical Section (*Sezione Sindacale*), which complies with the provisions of the law of 3 April 1926.

In the Economic and Financial Section the previously existing Italian Banking Association was incorporated, its programme being modified so far as was necessary for the fulfilment of the new responsibilities entrusted to it by the syndical organisation. Under the new

arrangements the Confederation, as representing the category, may be considered as the organ of collaboration in the banking and monetary policy of the Régime.

The Syndical Section became officially responsible for a programme that was almost entirely new as compared with that carried out by the previous Banking Association. This association had not, at the time of its formation, undertaken any syndical functions, but during the period of the workers' agitations, particularly in 1919 and 1920, it became the spokesman for the bankers' side in the negotiations between themselves and their employees, who were agitating and striking for an improvement in their conditions of service. This duty, only fulfilled provisionally by the Banking Association, was expressly included by the rules among the functions assigned to the Syndical Section of the General Banking Confederation. These include:—

(*a*) The study and solution of the problems of the relations of service as between banks and their personnel in accordance with the terms of the new legislation and with the object of avoiding disputes;

(*b*) The study and application of legislation and of all movements for promoting educational and other forms of assistance for the employees.

At the time of the establishment of the Confederation and subsequently till 1927 there were eight minor associations, namely:—

1. The Syndical Association of National Credit Institutions (*Associazione Sindacale tra Istituti Nazionali di Credito Ordinario*);

2. The National Syndical Association of Regional Credit Institutions (*Associazione Nazionale Sindacale fra Istituti Regionali di Credito Ordinario*);

3. The National Syndical Association of Private Bankers (*Associazione Nazionale Sindacale fra Banchieri Privati*);

4. The National Syndical Association of Finance Corporations (*Associazione Nazionale Sindacale tra Istituti Finanziari*);

5. The National Syndicate of Popular Banks (*Sindacato Nazionale tra Banche Popolari*);

6. The National Association of Rural Banks, Agricultural Banks and Auxiliary Institutions (*Associazione Nazionale fra Casse Rurali, Agrarie ed Enti Ausiliari*);

7. The National Syndical Association of Firms and Commission Houses operating on the Stock Exchange (*Associazione Nazionale Sindacale tra Ditte e Commissionali di Borsa*) in which subsequently, from January 1930 onwards, the money-exchangers were included;

8. The National Fascist Syndical Association of Bank Officials (*Associazione Nazionale Fascista fra Funzionari di Banca*), which afterwards, as a result of the Royal Decree of 13 May 1930, changed its name to National Fascist Association of Bank Directors (*Associazione Nazionale Fascista dei Dirigenti Aziende Bancarie*). By this change, not merely of form but of substance, there were excluded from the new association such employees as do not exercise true directive functions.

The basis of the organisation of the Confederation remained almost unchanged from 1927 to 1931, when, in consequence of the revision of the organisation of certain categories engaged in production, the National Fascist Association of Tax Collectors (*Associazione Nazionale Fascista fra Esattori e Ricevitori delle Imposte Dirette*) was also assigned to the General Banking Confederation. This constitutes an appreciable advance towards the homogeneity desired in syndical organisation. Moreover, in compliance with the wishes expressed by the categories interested, it was arranged that private insurance undertakings, improperly included in the organisation of industry, should pass to the Banking Confederation, which thenceforth assumed the name of Confederation of Credit and Insurance (*Confederazione del Credito e dell' Assicurazione*).

In 1931 further substantial changes were made in the structure of this Confederation. The technical aid to the Credit Institutions was transferred from the Economic and Financial Section to a new Technical Italian Banking

Association, entirely independent of the Confederation. This Association largely reproduces the characteristic features of the former Banking Association of 1919.

Development of the Organisation.

§ 3. The development of the Confederation is clearly shown by the number of institutions inscribed as members in the affiliated associations.

NUMBER OF INSTITUTIONS INSCRIBED AS MEMBERS IN THE AFFILIATED ASSOCIATIONS [1]

Associations.	At the time of Establishment.	In 1927.	In 1928.	In 1929.	In 1930.	On July 1, 1932.
National Credit Institutions .	7	9	9	9	8	7
Regional Credit Institutions .	22	111	135	135	127	120
Private Bankers	23	49	68	68	65	47
Finance Corporations . .	19	22	24	26	30	35
Popular Banks	111	247	320	332	321	280
Rural Banks	1,600	2,187	2,449	2,489	2,541	2,277
Commission Houses operating on the Exchange . . .	27	70	74	92	82	91
Tax Collectors	—	—	—	—	—	160
Private Insurance Undertakings	—	—	—	—	—	124
	1,808	2,695	3,079	3,151	3,174	3,141

It is important in this connection to observe that the number of institutions that are members of the Confederation increased by 75 per cent between the time of its establishment and 1930, and that the number of institutions to-day is equivalent to 45 per cent of the total number of institutions represented by the occupational associations. Among the insurance companies, out of 154 represented no fewer than 124 are regularly enrolled, and among the provincial tax-collecting offices, out of 5,000 represented, 4,000 are regularly inscribed as members in the respective associations.

[1] G. Bianchini, *Direttive della Politica Monetaria e Bancaria del Regime. Archivio di Studi Corporativi,* Vol. II, No. 111, p. 357.

As a result of the most recent provisions the National Fascist Confederation of Credit and Insurance is now made up of ten national associations which, in their turn, represent about 9,000 credit institutions, insurance companies and tax-collecting offices, employing in the aggregate upwards of 50,000 persons. In this total the persons employed by certain tax-collecting offices from which returns have not yet been received are naturally not included.

At the end of 1932 the number of members inscribed in the Confederation of Credit and Insurance numbered 3,835.

The number of persons and firms represented was 10,659 for the whole of Italy.

XII. NATIONAL CONFEDERATION OF FASCIST SYNDICATES OF EMPLOYEES IN BANKS AND INSURANCE OFFICES

Organisation of Bank Employees before Fascism.

§ 1. The syndical history of bank employees in Italy is not very extensive. The difficulties in the way of the occupational organisation of private employees, already noted in the case of persons employed in commerce, can be adduced as partly explaining the poverty of syndical spirit shown among the bank employees until about 1910. One of the earliest examples of association among bank employees in Italy was that of the Association of Employees of the Savings Bank of the Lombard Provinces (*Associazione tra il Personale della Cassa di Risparmio delle Provincie Lombarde*) with headquarters in Milan, which was formed in 1902 for the protection of the material and general interests of members. Subsequently other associations sprang up, mainly for purposes of mutual aid, such as the Association of the Employees of the People's Mutual Agricultural Bank of Lodi (*Associazione degli Impiegati della Banca Mutua Popolare Agricola di Lodi*), the Association of the Em-

ployees of the Bank of Sicily (*Associazione degli Impiegati del Banco di Sicilia*), and the Association of the Employees of the *Monte dei Paschi* of Siena (*Associazione degli Addetti al Monte dei Paschi di Siena*). At the end of 1908 the Union of Bank Employees (*Unione degli Impiegati Bancari*) was formed in Milan for the purpose of uniting this category throughout Italy in a single association by federating the various local unions formed in the more important centres as well as the mutual aid associations above mentioned. The work of the National Federation which was established in Bologna in 1910 was mainly intended to improve social legislation and to obtain recognition of the syndical rights of the category, considered as a separate unit. Accordingly, the *desiderata* put forward by a Committee of Roman Bank Employees (*Comitato di Impiegati Bancari Romani*) in 1909 and by *l'Impiegato di Banca*, the official organ of the Union of Bank Employees of Milan, and afterwards of the Federation, included the following: (1) legislation on the contract of service; (2) the establishment of a Technical Magistracy to adjudicate in any disputes that may arise between capital and labour; (3) legal recognition of bank employees and employees of kindred institutions as a separate syndical category; (4) compulsory insurance or, at any rate, special insurance facilities, for all employees.

In 1911 the Federation, which was carrying out a mainly professional programme, separated itself from the Confederation of Private Employment, to which it had previously been affiliated, when the Confederation made it clear that it had become definitely political and socialistic in policy. Nor does it appear that any substantial change had occurred in the attitude of the Federation in the period immediately following the war, when it directed the bank employees' movement for obtaining salary increases, high cost of living indemnities and a definitive settlement of their legal status *vis-à-vis* their employers. The demands of the bank employees, who in 1919 had joined the Federation in

large numbers, met with determined opposition on the part of the banks, who had in the same year formed their own association. The dispute developed into a strike in which the employees were worsted and with the dismissal of many of their number the movement collapsed. In 1920 the National Federation of Bank Employees of Italy was succeeded by the General Confederation of Bank Employees of Italy (*Confederazione Generale dei Bancari d'Italia*), an association which, as a result of recent experience, adopted different principles for its internal organisation. It included the following four Federations:—

(*a*) The Federation of Associations of Employees of Banks of Issue (*Federazione tra le Associazioni del Personale degli Istituti di Emissione*);

(*b*) The Federation of Associations of Employees of Savings Banks and Pawnbroking Institutions ("*Monti di Pietà*") constituted as corporate bodies (*Federazione tra le Associazioni del Personale delle Casse di Risparmio e dei Monti di Pietà costituiti in Ente morale*);

(*c*) The Federation of Employees of Medium-sized and Small Banks and of branches of Foreign Banks in Italy (*Federazione tra il Personale delle Banche Medie e Piccole e Filiali di Banche Estere in Italia*);

(*d*) The Federation of Associations of Employees of the Large Credit Institutions (*Federazione fra le Associazioni del Personale dei Grandi Istituti di Credito Ordinario*).

Fascism and the Organisation of Bank and Insurance Employees.

§ 2. In the early days of Fascist syndicalism the category of bank employees did not to any great extent attract the attention of the syndical organisations of workers in which they ought to have been enrolled.

However, in 1926 they were organised into a large national category-association under the name of National Federation of Fascist Syndicates of Banks (*Federazione Nazionale dei Sindacati Fascisti delle Banche*). This Federation was a member of the National Confederation of Fascist Syndicates together with the Federations of workers and employees in industry, agri-

culture, commerce, land transport and sea and air transport. In 1929 the National Banking Settlement between the National Confederation of Fascist Syndicates and the General Fascist Banking Confederation was arranged whereby relations between employers and employees were determined. The Settlement, which was accepted (except for slight subsequent amendments) by both the contracting parties and approved by the Government, was drawn up according to the principles of the Fascist corporative system. This Settlement—after the lapse of seventeen years—secured for all the bank employees of Italy many points in the programme of *desiderata* put forward in 1910 by the employees in Milan and Rome as the ultimate goal of united syndical action. It lays down the lines of a common standard for the general and material conditions to be accorded to the various grades of bank employees, and becomes in practice a compulsory form of contract, to be supplemented by the various special agreements between banks and their employees, made in accordance with the varying conditions of the individual banking institutions and with the substantial differences in their technical and economic purposes. The National Banking Settlement affects the banks which employ more than twenty persons, but for other banks, employing less than twenty persons, it has been necessary to draw up a different model contract.

In consequence of the splitting up of the National Confederation of Fascist Syndicates, the bank employees were placed on an independent footing under a new title. In 1928 the National Confederation of Fascist Syndicates of Bank Employees (*Confederazione Nazionale dei Sindacati Fascisti dei Bancari*) was founded, to represent the persons employed by the credit institutions, the popular banks, the rural banks, the agencies and auxiliary credit institutions, the private banks and the finance corporations. Subsequently the following other categories were admitted to membership:—

1 Employees of Stockbroking and Commission

Houses (*Dipendenti dalle Ditte e dai Commissionari di Borsa*);

2. Employees of Communal Banks of Agricultural Credit (*Dipendenti dalle Casse Comunali di Credito Agrario*);

3. Employees of the Collectors of Taxes (*Dipendenti da Esattori e Ricevitori delle Imposte*);

4. Employees of Private Insurance Companies (*Dipendenti da Istituti di Assicurazione Privati*).

The Confederation accordingly assumed the name of Confederation of Fascist Syndicates of Credit and Insurance (*Confederazione dei Sindacati Fascisti del Credito e della Assicurazione*). Recently also bank officials have been admitted to membership in the National Confederation of Fascist Syndicates of Credit and Insurance. This group of higher employees, together with the bank managing directors (executive officers who are generally authorised to sign documents on behalf of the bank), previously belonged to the National Fascist Confederation of Credit and Insurance. Experience showed that the functions of the employers' Confederation were not always consonant with the category interests of the bank officials, many of whom found themselves at times in open conflict of interest with their colleagues in this body. As many of these officials were obviously to be regarded as workers, it was decided to divide the category into two groups. One group, that of the managing grade, was attached to the National Fascist Confederation of Credit and Insurance and represented therein the nucleus of technical experts. The other group, that of the officials, included all the higher employees who could not be regarded as having true directive functions and was attached to the National Confederation of Fascist Syndicates of Credit and Insurance.

Besides undertaking the study and preparation of labour contracts, the National Confederation of Fascist Syndicates of Credit and Insurance set itself to reconcile and co-ordinate certain contractual rules with the prin-

ciple of the new syndicalism. It is recognised, even in the case of banks, that it is desirable to limit, as far as possible, the fluctuations in the high cost of living indemnity, which depends on the variations in the official price index, and thus to give to the worker the feeling of a genuinely increased stability in his salary. In addition to this guarantee of stability in salary within certain limits of the variations in the index numbers, a further guarantee was offered, that of the stability of the salary itself within wide limits of time. The assistance given by the Confederation was extended to all kinds of banks, including those in which the relations with the staff were not as yet governed by special regulations.

Present Constitution of the Confederation.

§ 3. The organisation of the National Confederation of Fascist Syndicates of Credit and Insurance is actually constituted by three National Federations, namely:—

1. The National Federation of Fascist Syndicates of Employees in Credit Undertakings (*Federazione Nazionale dei Sindacati Fascisti dei Dipendenti dalle Aziende di Credito*);

2. The National Federation of Fascist Syndicates of Employees in Insurance Companies (*Federazione Nazionale dei Sindacati Fascisti dei Dipendenti dalle Imprese di Assicurazione*);

3. The National Federation of Fascist Syndicates of Employees in Tax-collecting Offices (*Federazione Nazionale dei Sindacati Fascisti dei Dipendenti dai Ricevitori, Esattori e Gestori d'Imposte*);

One National Syndicate of Bank Officials (*Sindacato Nazionale dei Funzionari di Banca*);

Fourteen inter-provincial syndicates, which cover the persons employed by credit and insurance institutions, etc., in areas almost exactly corresponding to the different regions of Italy. These syndicates are divided, for purposes of practical working, into three sections corresponding to the three National Federations of the Employees of Credit Institutions, of Insurance Companies and of Tax-collecting Offices.

At the end of 1932 the number of members inscribed in the National Confederation of Fascist Syndicates of Credit and Insurance was 33,781. The persons represented numbered 47,996 for the whole of Italy.

XIII. NATIONAL CONFEDERATION OF FASCIST SYNDICATES OF PROFESSIONAL MEN AND ARTISTS

Professional Orders or Colleges.

§ 1. Before the coming of Fascism persons in Italy following intellectual occupations had no form of national syndical organisation. Such occupational organisations for professional men as existed limited their activities to the internal regulation of purely professional questions and took the form of Orders (*Ordini*) or Colleges (*Collegi*) among lawyers, notaries, accountants, engineers, etc., and numerous laws laid down precise rules for the working of these bodies. Many of these Orders date back to the end of the last century and their chief function consists in the compilation of a Professional Register (*Albo*) in which are entered the names of all persons possessing the educational and personal qualifications required by the law for the exercise of the particular profession. Certain categories of persons proved guilty of specified misdemeanours cannot be admitted to the Register and accordingly cannot be allowed to practise particular professions, notably the medical. Every Order requires its members to observe certain rules in the exercise of the particular profession, fixes the amount of the subscription to be paid in each case and determines the fees that may be charged, indicating in some instances—for example, for the lawyers—the maximum and minimum limits within which the fee may vary.

The law confers on the members of the professional Orders, and on them only, the responsibilities implied in the exercise of their calling in the case of expert opinions in the courts and of special technical duties in connection with public administrations, and imposes penalties for wrongful exercise.

These considerations show that the sphere of action of the vocational associations established by Fascism differs profoundly from that of the old professional Orders. There is, for example, a strongly marked political and social difference. The new associations no longer confine themselves to laying down rules for the exercise of a specific function, but represent in the order of the productive forces of the country all persons who exercise that function. This representation goes even so far as the nomination of candidates for political elections. From the public character assumed by the vocational associations in the Fascist Régime arise other differences of an economic order, particularly as a result of contracts, labour agreements, etc., stipulated by the association in the interests, not only of its inscribed members, but also of the persons it represents, and valid as against members of intellectual professions and all who make use of their services. With the rise and success of the occupational associations the importance of the former "Orders" has necessarily diminished, as the representation of the separate categories now belongs solely to these associations. The professional Orders have a justification for continued existence in the fact that they prescribe precise regulations for the exercise of the various callings in accordance with the technical and disciplinary limitations laid down by the law.

First Associations of a Syndical Character among Intellectual Workers.

§ 2. The first organisation of intellectual workers on syndical principles was that set up immediately after the war at Milan through the efforts of certain ex-service lawyers. In 1919 the first *Fascio d'azione* of ex-service lawyers was formed for the purpose of combining in order to obtain greater influence in the public and economic life of the country at a moment when the possibilities of the intellectual classes seemed to be in decline and their chances in life, particularly for ex-service men, to have diminished owing to their long absence at the front. After a few months this *Fascio* changed its name to that of Syndicate of Ex-Service Lawyers (*Sindacato*

degli Avvocati e Procuratori Reduci del Servizio Militare). The title of "Syndicate" had already been assumed by another association of the intellectual workers, in this case the physicians, who had also combined in 1919 for the defence of their material interests. The organisers of this movement desired to foster a spirit of solidarity among the members of the intellectual classes, not so much for the purpose of asserting an economic monopoly in their own favour as for the defence of their rights, which were being contested in the sharp struggle in progress between capital and labour.[1] The promoters of the Syndicate of Lawyers constantly strengthened the contact between the various categories of intellectual workers, until on 28 February 1920 the Italian Confederation of Intellectual Work (*Confederazione Italiana del Lavoro Intellettuale*) was formed in Milan. This Confederation set out to organise the categories of persons belonging to the liberal professions for the protection "of their own interests and of the interests of the community in all matters pertaining to progress."

The Confederation, through the efforts of certain Propaganda Committees (*Comitati Promotori*), set up sections in various Italian cities, and important professional associations of a national character became affiliated members in due course.

This movement, in spite of the favourable circumstances under which it was launched, did not have any definite result on account of the individualistic and "anti-trade union" spirit of the professional class and of the difficulties of organisation peculiar to this type of occupation. In spite of the absence of concrete results, the fact of the formation of the Confederation is particularly noteworthy as it gave to persons engaged in intellectual callings, combined in a professional non-socialistic association, the title of workers. It was thus recognised that the intellectual worker engaged in a

[1] Information obtained through the courtesy of Signor Sileno Fabbri, barrister-at-law.

paid avocation (however he may be remunerated) is a worker who assumes in the process of production the same position as a manual worker in relation to an employer. This attitude was adopted by the Fascist system when the intellectual workers were combined in a syndical organisation. Under socialist pressure before and after the war, a tendency had become manifest among employees and persons following the so-called intellectual professions to support the workers' movement against capital, but in such a timid and tentative fashion as to have little or no effect with either the working classes or the classes in power. On the other hand, the tendency of those engaged in intellectual pursuits to consider themselves as workers seems unquestionable.

Fascism and the development of the Syndical Organisation of Intellectual Workers.

§ 3. Fascism continues the movement begun in the syndical field immediately after the war, and assigns to this order of workers a high position in the scale of social values, as it desires to utilise the technical possibilities of every category concerned in production. In 1921 in the Confederation of Syndical Corporations (*Confederazione delle Corporazioni Sindacali*), which was formed through the efforts of E. Rossoni, the Corporation of the Intellectual Professions (*Corporazione delle Professioni Intellettuali*) had the first place. The earlier members urged that it was necessary to bridge the gap between intellectual and manual workers and they sought to convince the two great categories of workers of the necessity for harmony and for a spirit of collaboration. The first Fascist Syndicates of Intellectual Workers demanded that "the legislation dealing with unemployment, accidents, illness and old age in the case of intellectual workers should be completed, the organisations of intellectual workers should be properly utilised and assistance should be provided during professional training, during the period of probation and during unemployment, as also for their widows and orphans." With the progress of syndical organisation, the number of members of the Corporation of the Intellectual Profes-

sions increased. In 1923 there were thirteen affiliated syndicates, representing: 1. *Authors and writers*; 2. *Lawyers*; 3. *Notarie*; 4. *Assistant notaries*; 5. *Engineers*; 6. *Architects*; 7. *Chemists holding degrees*; 8. *Doctors in economics and social science*; 10. *Technicians holding diplomas*; 11. *Professional civil surveyors*; 12. *Valuers* (*excluding land-surveyors*); 13. *Inventors*.[1]

Doctors, druggists and veterinary surgeons were organised, together with hospital attendants, in a special Medical Corporation (*Corporazione Sanitaria*), and professors and teachers in intermediate and teachers in elementary schools, in the School Corporation (*Corporazione della Scuola*).

The employees, unlike the members of the intellectual professions previously noted, were organised in a special Corporation, the National Corporation of Public and Private Employment (*Corporazione Nazionale dell' Impiego Pubblico e Privato*). Subsequently all persons engaged in the public service, including naturally the teachers in State schools, were organised in an association directly under the control of the Directorate of the Fascist Party, called the Association of Public Employment (*Associazione del Pubblico Impiego*). The Corporation of the Intellectual Professions was followed by the National Federation of Syndicates of Intellectual Workers (*Federazione Nazionale dei Sindacati Intellettuali*), as a result of the transformation in 1926 of the Confederation of Syndical Corporations into the National Confederation of Fascist Syndicates, of which this National Federation was a constituent member.

The National Federation of Syndicates of Intellectual Workers was transformed in 1928 into the National Confederation of Syndicates of Professional Men and Artists (*Confederazione Nazionale dei Sindacati Professionisti ed Artisti*). This Confederation covers twenty-one categories, with a corresponding number of national syndicates, namely:—

[1] Giacomo di Giacomo, *Organizzazione Sindacale dei lavoratori intellettuali*, p. 12. Milan, Casa Editrice Hoepli.

1. The Syndicate of Physicians (*Sindacato dei Medici*);
2. The Syndicate of Druggists (*Sindacato dei Farmacisti*);
3. The Syndicate of Veterinary Surgeons (*Sindacato dei Veterinari*);
4. The Syndicate of Midwives (*Sindacato delle Levatrici*);
5. The Syndicate of Engineers (*Sindacato degli Ingegneri*);
6. The Syndicate of Architects (*Sindacato degli Architetti*);
7. The Syndicate of Surveyors (*Sindacato dei Geometri*);
8. The Syndicate of Expert Industrial Valuers (*Sindacato dei Periti Industriali*);
9. The Syndicate of Expert Commercial Valuers (*Sindacato dei Periti Commerciali*);
10. The Syndicate of Chemists (*Sindacato dei Chimici*);
11. The Syndicate of Lawyers (*Sindacato degli Avvocati e Procuratori*);
12. The Syndicate of Notaries (*Sindacato dei Notai*);
13. The Syndicate of Legal Assistants (*Sindacato dei Patrocinatori Legali*);
14. The Syndicate of Doctors in Economics and Commerce (*Dottori in Economia e Commercio*);
15. The Syndicate of Accountants (*Sindacato dei Ragionieri*);
16. The Syndicate of Journalists (*Sindacato dei Giornalisti*);
17. The Syndicate of Private Teachers (*Sindacato degli Insegnanti Privati*);
18. The Syndicate of Agricultural Experts (*Sindacato dei Tecnici Agricoli*);
19. The Syndicate of Authors and Writers (*Sindacato degli Autori e Scrittori*);
20. The Syndicate of Musicians (*Sindacato dei Musicisti*);
21. The Syndicate of the Fine Arts (*Sindacato delle Belle Arti*).

This Confederation not only represents the syndical

and professional organisation of the categories represented, but also undertakes the management of centres for education in corporative principles and promotes popular training and propaganda.

The centres of corporative education are institutions organised in the large cities in which, by means of books, courses of lectures and communications issued through the Press, propaganda on behalf of the principles of the corporative system is carried on among the better educated classes and syndical and corporative propaganda among the workers.

In connection with the more important activities of the Confederation of Professional Men and Artists, special reference should be made to its work for the development of scientific and artistic training by the award of scholarships and the organisation of art exhibitions and competitions with the object, not only of selecting the best works of art produced, but also of infusing a national spirit into Italian art.

The intellectual workers are at present organised in category-syndicates, bodies which have the following areas of operation:—

1. Provincial;
2. Inter-provincial;
3. Regional;
4. Court of Appeal Districts;
5. Local Court Districts.

These local syndicates in their turn are grouped in national syndicates.

The National Confederation, to which the national syndicates are affiliated, stands at the head of the organisation.

At the end of 1932 the number of members inscribed in the Confederation of Fascist Syndicates of Professional Men and Artists was 90,227.

The persons represented numbered 120,223 for the whole of Italy.

CHAPTER VII

THE WORK OF SOCIAL ASSISTANCE UNDER THE CORPORATIVE RÉGIME

I. SOCIAL ASSISTANCE AND INSURANCE

§ 1. Special importance is given to the work of social assistance which devolves on the occupational associations.

Work to be done by Syndical Associations in compliance with regulations laid down by the Law.

The law compels employers and workers to insure against work accidents, invalidity and old age, tuberculosis and, in industry, certain occupational diseases. In addition to these compulsory forms of insurance, Fascist legislation prescribes that the occupational association shall supplement and extend the application of the principles of social assistance and insurance beyond the limits compulsorily prescribed.

The information which follows, accordingly, relates only to the action taken by the occupational associations to supplement, in regard to social insurance and assistance, the prescriptions of the law and therefore not to the compulsory insurances referred to above.

Article 1 of the law of 3 April 1926 subordinates the legal recognition of occupational associations to the condition that, besides safeguarding the material and moral interests of their members, they shall make it also their special concern to provide, and to provide effectively, assistance for their members, as also instruction, together with training in the principles of right conduct and political loyalty.

In the rules for the application of the law of 3 April, it is insisted in Article 11 that, even when parallel with the syndical association there exist Orders or Colleges empowered to control enrolment in the register of

persons exercising some specific art or profession, the syndical association alone shall have the right to provide safeguards for the moral and material interests of the persons represented by them, to render assistance and to give training and education as contemplated by the law.

In Article 18 of the law itself, referring to the expenditure of occupational associations, the cost of material and social aid, of moral and religious assistance, of national education and occupational training is indicated as a compulsory charge. The contributions to certain fundamental institutions of the Régime, such as the Workers' Leisure Time National Institute (*Opera Nazionale del Dopolavoro*), the Maternity and Child Welfare National Institute (*Opera Nazionale per la Maternità e per l'Infanzia*), the Young People's National Institute (*Opera Nazionale Balilla*) and the National Workers' Aid Society (*Patronato Nazionale*), are also compulsory.

An account has already been given in Chapter I, IV, § 3, page 26, of the Workers' Leisure Time National Institute and of the Young People's National Institute.

The Mothers' and Infants' National Institute is a semi-official benefit institution for the assistance in the first instance of mothers during and after childbirth and then for the protection of infants, especially through preventive measures against disease. The Institute also carries out propaganda with the object of awakening among the people a sense of the need for hygienic precautions and of moral responsibility in regard to children.

Where organisations with similar objects are already in existence, the National Institute comes to their aid, helping by preference such institutions as, owing to their limited means and the extent of the benefits provided, are most obviously necessitous.

The National Workers' Aid Society is an institution which exists side by side with the occupational associations to give gratuitous assistance to workers under every aspect, administrative or judicial, of the disputes which may arise under the application of the laws on social assistance and social insurance and, in particular,

of the laws relating to work accidents. This institution carries on its work throughout the Kingdom through the medium of ninety-two provincial offices fully equipped on the technical and scientific side.

The Labour Charter further emphasises the rules laid down by the law of 3 April 1926, inasmuch as it imposes on employers and workers the duty of participating in insurance schemes (Labour Charter, Declaration XXVI) and makes the occupational associations and the State responsible for the provision of social assistance and for the promotion, co-ordination and unification of all action taken in the matter of assistance and insurance (Labour Charter, Declarations XXVI, XXVIII and XXIX).

The policy of the Fascist Régime for the development of schemes of social assistance and insurance may be summed up under the following fundamental headings:—

1. Improvement of insurance schemes against accidents, particularly by a more exact determination of the cases of accident and of the branches of industry in which they may occur;

2. Improvement and extension of maternity insurance with special provisions for illegitimate births, and the prosecution of an active propaganda for the prevention of infant mortality and puerperal disease;

3. Establishment of schemes of insurance against occupational diseases and against tuberculosis as the beginning of a general system of insurance against all forms of disease. Up to the present, tuberculosis is the only disease against which insurance is compulsory. Provisions have recently been approved and others are under consideration for assisting workers liable to malaria. Further, in certain branches of industry the necessity of insuring workers against occupational diseases is recognised;

4. Improvement of insurance schemes against involuntary unemployment, by the establishment and regulation of Government Employment Offices and by a strict control over the grant of unemployment subsidies, such subsidies being confined within modest limits in

order that they may not serve as an inducement to unemployment itself;

5. Adoption of special forms of endowment insurance for young workers (Labour Charter, Declaration XXVII).

The work of the occupational associations in regard to social assistance consists in the protection of the persons they represent in administrative and judicial procedure in connection with accident and social insurance. This protection is partly given directly by the officials of the occupational associations, and in the case of disputes arising in connection with the application of the laws on social insurance, through the medium of the National Workers' Aid Society, a special body which has already been described.

It should be here remarked that all forms of assistance and insurance are based on the principle that social assistance of any kind is not gratuitously bestowed by the State or by private individuals, but is paid for by the interested persons themselves, through their contributions to the occupational associations.

Various bodies collaborate in the work of the syndical associations, which may be divided into two main groups:—

A. Bodies which are bilateral in character or are markedly corporative in the sense that their work is based on the harmonious collaboration of employers and workers in some particular branch;

B. Institutions established by a single Confederation and maintained by the contributions of employers only or of workers only.

§ 2. The following are typical examples of bilateral institutions for assistance and insurance:—

Institutions, bilateral or Corporative in character, for Assistance and Insurance.

The National Institute of Insurance for Employees and Workers in Private Gas Companies (*Istituto Nazionale di Previdenza per i Dipendenti delle Aziende Privati del Gas*), founded on 28 October 1929 under the terms of an agreement between the General Confederation of Italian Industry and the National Federation

of Fascist Syndicates of the Industries supplying Water, Gas and Electricity Services. Before this agreement was made, there were only a few private insurance schemes confined to the more important undertakings of this class, whereas the new Institute includes all the private companies in Italy.

The purpose of the Institute is to collect and to administer the funds necessary for the payment of an indemnity or of a life pension to the persons employed by the gas companies, or of an indemnity or of a pension payable also to widows, orphans or dependent relatives in cases of the dismissal for reasons other than disciplinary, of the invalidity, of the retirement or of the death of the employed person. The income of the Institute is made up of the contributions of the companies and of the workers actually employed, the amount being proportionately higher for the companies than for the workers, and of half the amount of the deductions from wages made by the companies for disciplinary reasons, as well as of donations or of interest on the capital owned by the institute itself.

The Confederation of Agriculture also undertakes to provide social assistance and insurance benefits additional to those secured by the legal obligations incumbent on all employers. This Confederation, unlike the Confederation of Industry, did not find already in existence at the time of its institution important schemes initiated by companies or by individuals and already in full working order. Owing to the peculiar characteristics of agricultural labour resulting from the special methods of remuneration and of working followed, corporative action was required to give effect to and to make general any schemes for social assistance and insurance. Such action was, in fact, brought about by a convention made between the Confederation of Agriculture and the Confederation of Fascist Syndicates of Agricultural Labourers, and as a result the National Federation of Sickness Funds for Agricultural Labourers (*Federazione Nazionale Casse Malattie per i Lavoratori Agricoli*) was established. This

is an institution, bilateral in character, for insurance and mutual aid in agriculture, which only began to function as a legally recognised body at the end of 1930. The Federation has organised Provincial Mutual Funds for the benefit not only of the insured persons, but also, subject to certain conditions, of the dependent members of their families. These funds, according to the programme of the Federation, must also adopt measures for the prevention of illness by providing proper treatment for persons likely to be affected, with special reference to children. The Federation has also given its attention to the important problem of the development of sickness insurance in the redeemed provinces. In addition to its work connected with the Mutual Funds, the Federation attempts so to co-ordinate the various Provincial Agricultural Labourers' Funds that all may benefit from the advantages obtainable under a single National Fund, while leaving to the separate funds such independence as will allow them to adapt themselves to the special needs of the various districts. Furthermore, it carries on propaganda in collaboration with other bodies for the diffusion of the principles of rural hygiene and of sanitary preventive measures and for the application of the social laws. For the purpose of improving and enlarging the work of assistance and insurance for the benefit of agricultural workers the Federation is also closely linked with the Federation of Institutions for Mutual Insurance against Accidents in Agriculture (*Federazione degli Enti Mutui Assicurazione Infortuni Agricoli*). Besides its activities which bear strict relation to sickness insurance, it has also contributed largely to all work of social assistance carried out on behalf of agricultural workers suffering from tuberculosis and other maladies and has taken part in research work for discovering means for the prevention and cure of malaria.

For persons engaged in Commerce there exists the National Sickness Fund (*Cassa Nazionale Malattie*), founded by the Royal Decree of 24 October 1929,

No. 1,546, which undertakes to pay to the employees in commercial houses, on behalf of the employers, legally represented by the National Fascist Confederation of Commerce, the indemnity which they are bound to give in cases of sickness, in conformity with the provisions of the Royal Decree of 13 November 1924, No. 1,825, on the contract of private employment, or with those laid down under this head in the national, provincial or local labour contracts, or by the labour rules drawn up by the corporations. The fund further engages to guarantee supplementary benefits as well as the sickness benefits contemplated in the provisions of the labour contracts. This fund is likewise supported by the contributions of the workers as well as by those of the employers. The sums payable by the workers, which are stopped from their wages, are lower than those payable by the employers. At the end of 1932, 88,783 commercial firms employing 218,609 insured persons had become members of the Fund.

As the result of an agreement made on 30 September 1930 between the National Confederation of Land Transport and Internal Navigation and the National Confederation of Fascist Syndicates of these services, a National Institute for the assistance of Transport Workers (*Ente Nazionale di Assistenza Addetti ai Trasporti*) has also been established. To this Institute there may be affiliated all institutes of social assistance and insurance previously established, all such institutes as may be established in virtue of collective contracts or of the principles laid down in the Labour Charter, and also the Regional Sickness Funds (*Casse Regionali di Malattie*). The objects of the Institute are: to promote the establishment of institutions for social assistance and, in general, all those beneficial purposes which have been described above. The greater part of the receipts of the institute consist, in this case also, of the contributions of the affiliated bodies, whether organisations of employers or of workers, but other receipts are to be anticipated such as interest on the company's capital, donations, etc.

§ 3. To the second group of institutions, that is, those established under the auspices of a single Confederation and having no bilateral character, belong such typical institutions as the following:—

Institutions established by Individual Confederations.

(*a*) "*La Vigile*," which is attached to the General Fascist Confederation of Italian Industry, is concerned with the provision of assistance and treatment for workers in the employment of the affiliated firms when the victims of accidents; with the hygiene of industrial establishments; with industrial medicine and, in general, with all such benefits as regards hygiene and sanitation as industry owes to its workers in order to maintain them in good physical health and consequently at a high standard of working efficiency. In carrying out these responsibilities the institution undertakes to supply first aid and subsequent medical and surgical treatment in cases of accident, and to encourage the full application of all the hygienic provisions, general and particular, specified by the laws in force. It utilises for these purposes the contributions of the industrial firms and institutions which avail themselves of its services, and also the subsidies and donations, ordinary and special, granted by institutions, organisations and private individuals.

(*b*) The Benito Mussolini Institute (*Istituto Benito Mussolini*) which, on behalf of all the insured workers in Italy, carries on a vigorous campaign against tuberculosis, a scourge which, especially after the war, had assumed alarming proportions in Italy. A higher school for the treatment of pulmonary diseases is attached to the institution and is an important addition to the facilities for the training of specialists in the cure of tuberculosis.

The Benito Mussolini Institute was promoted by the Italian manufacturers, organised in the Confederation of Industry. It was their desire to establish this great institution as a complement to the infirmaries, the institutions for rendering first aid, and the Labour Hospitals (*Policlinici del Lavoro*), formed to assist or to

provide treatment without charge or at nominal rates to workers and their families.

The social aid work of the Confederation of Industry is directed and organised by the Social Assistance Office (*Ufficio di Assistenza Sociale*). This Office also possesses a special service, the object of which is to train women social workers and to prepare them for carrying on social assistance services among the operatives in the factories.

In 1930 many of the most important Italian companies, such as the "Fiat" with all its establishments in Turin, the "Ansaldo" of Genoa and the "Solvay" of Rossignano, availed themselves of the help of these social workers, their example being followed by many smaller firms for whom this service constitutes the most practical form of assistance for their dependants.

The employers in industry have provided other forms of facilities for the workers in connection with housing, control of food prices, recreation, etc. The large-scale industrial organisation has made it easy to build workers' dwellings in the neighbourhood of the factory, whence they derive the benefit of low rentals and of accommodation corresponding to modern hygienic requirements. The manufacturers have further taken steps to control in various ways the prices of those goods which represent the chief items in a worker's budget. This control consists in some cases in the preparation by the employers of lists of the prices current for the goods most in demand by the workers, for their guidance in marketing; in other cases, in establishing, or assisting to establish, special stores in which the workers can, if they so desire, purchase goods at prices equal to or lower than those of the market. The first direct intervention of the large employers was in the province of Carrara at the beginning of 1925. Here the employers found themselves unable to grant the increase of wages for which the workers were agitating and therefore subsidised an independent supply store which, by its influence on the prices of articles of primary consumption, was

expected effectively to bring about a reduction in the workers' cost of living.

The movement for the organisation of food supplies by manufacturers made striking progress, especially in 1927. The Lombard Consortium of Employers in the Metalworking Industries (*Consorzio Lombardo fra Industriali Metallurgici*) deserves special mention among the various schemes of this kind. This Consortium supplies to the employees and workers engaged in the associated industries, and also to persons employed by public departments if they so request, forty different kinds of foodstuffs selected from among articles of primary necessity, at special prices fixed by agreement with the producers, middlemen being thus eliminated. The Government encouraged this movement, as well as others of the kind, including the institution of factory stores for the workers employed by the large industrial firms for the purpose of bringing the cost of living into closer relation with the increased value of the Italian lira and of reducing the difference between wholesale and retail prices. In a considerable number of firms special stores have also been opened for the sale of clothing and dress materials, white goods, shoes and wearing apparel at factory prices.

A typical example of an insurance scheme organised by workers in favour of their own category is that of the printing trade, which established in 1927 its Mutual Insurance and Provident Fund (*Cassa di Mutualità e Previdenza*). This institution replaced and supplemented the Federal Funds (*Casse Federali*) for purposes of mutual insurance, the formation of which had been going on for years in the different centres among the printers. The object of the *Cassa* is to insure its members against unemployment, malaria, invalidity and old-age risks.

Particularly noteworthy are the schemes of social assistance among the categories represented by the National Confederation of Fascist Syndicates of Professional Men and Artists. The most important of

these is the National Insurance Institute of Italian Journalists (*Istituto Nazionale di Previdenza dei Giornalisti Italiani*). The Institute, founded in 1926 and incorporated by Royal Decree of 24 March 1926, sets out to provide insurance and assistance for professional journalists. It takes out a mixed life insurance policy for 50,000 liras with the National Insurance Institute (*Istituto Nazionale delle Assicurazioni*) on behalf of every member who has not reached his fifty-sixth year. It also insures all members against accidents, professional or otherwise, including flying risks. To the members on whose behalf it is not possible for reasons of age to arrange the mixed insurance policy, the institute pays the sum of 10,000 liras in State securities on the completion of their sixtieth year, provided they have been active journalists for at least five years, have been enrolled in the National Fascist Syndicate of Journalists and inscribed in the Professional Register for at least two years. By the law of 31 December 1928, No. 3,316, all the Benevolent Insurance Funds (*Casse Pie di Previdenza*) for Italian journalists and other similar institutions in the Kingdom are amalgamated with the Institute, which recognises the rights acquired by the members of the Benevolent Funds prior to amalgamation and pays to them, or to their widows and orphans, the pensions to which they are entitled under the various rules and regulations of the different funds.

The National Notaries' Fund (*Cassa Nazionale del Notariato*) was established in 1919 and succeeded to the so-called common fund formed during the war to subsidise the families of notaries called to the colours. The original object of the Fund was to secure for notaries a minimum annual income by making good any difference between the amount of the minimum limit established and the actual income of each individual member. The sums required for this purpose were obtained by an increase of 50 per cent on the fees charged by notaries to their clients. Subsequently the fund undertook to assure, not a minimum income

fixed without consideration of the length of time during which a notary had exercised his calling, but a minimum varying according to the number of years of professional service. The surplus of the sums paid by the notaries to the fund over the sums paid to make good the minimum income was set aside to form a pension fund for the benefit of old and needy members, as well as of widows and orphans.

Reference may also be made to the National Druggists' Provident Fund (*Cassa Nazionale di Previdenza dei Farmacisti*), incorporated in 1929, which supplies assistance to its members in the form of grants in cases of illness, involuntary unemployment, old age and invalidity. This fund began its activities during 1931.

II. THE WORKERS' LEISURE TIME NATIONAL INSTITUTE (*Opera Nazionale Dopolavoro*)

The Institute as an outcome of Syndical Activity.

§ 1. In the field of educational and occupational betterment even before the coming of Fascism, employers had in certain cases made some provision for the benefit of their workers and sometimes the workers themselves had taken independent action. Fascism, realising the importance of these efforts to provide the workers with facilities for the proper recreational use of their leisure, established a special Office under the control of the Directorate of the Party to encourage and to co-ordinate the various phases of the movement. This Office steadily developed and assumed constantly increasing importance in Italy. In 1925 it was raised to the status of an Independent National Institute, with the duty of "promoting the co-ordination and encouragement of institutions for the physical, educational and moral betterment of the intellectual and manual workers during their non-working hours."

The change introduced by Fascism through the National Institute into the organisation of recreational and other forms of beneficial activities on behalf of the

workers is noteworthy inasmuch as they are given thereby a social and political cachet which was previously lacking.

The work of the *Dopolavoro* Institute gives practical form and content to that principle of collaboration and solidarity between the producing classes, which is strongly emphasised in all Fascist laws and particularly in the Labour Charter.

The occupational associations must support the action of the National Institute by carrying out among the persons whom they represent their own special duties of training and instruction, the latter on the vocational side. The necessity of establishing an institute for directing the recreational and educational life of the workers became apparent when the Fascist syndical Corporations came into being, so that the foundation of the National Institute is properly regarded as a necessary outcome of Italian syndical activity.

Leisure time institutes, to which reference was made in speaking of social assistance in industry, were partly in being before the foundation of the National Institute, and were for the most part established by large industrial firms for providing their workers with opportunities of acquiring skill in various kinds of sport or of cultivating some branch of more intellectual activity, such as music, the drama, etc. The Electricity and Gas Company of Rome, the Terni Steelworks, etc., may be quoted as examples of firms which gave their employees facilities for recreation, and it should be noted that clubs with similar objects were sometimes formed among the employees of public offices or of private firms. In either case, the National Institute gave its full support to all such movements.

The funds at the disposal of the Institute, as already stated, are contributed in large measure by the occupational associations, so that a part of every contribution paid by the employers to the associations to which they belong goes to the benefit of the Workers' Leisure Time Institutes.

§ 2. The leisure time institutes connected with particular firms and businesses (*Dopolavoro Aziendali*), which are found most frequently in connection with the larger undertakings, represent in practice a voluntary contribution paid by certain employers for the physical and moral improvement of their own workers. Although the National Institute has chiefly given its support to leisure time institutes under its own direct control, so as to ensure that every commune and every ward of the more populous communes should possess an institute, open to all members of the public without distinction of category, the number of leisure time institutes connected with individual firms has, nevertheless, increased considerably, as indicated by the following statistics:—

Leisure Time Institutes connected with particular Firms and Leisure Time Institutes in general.

	1926.	1927.	1928.	1929.	1930.	1931.	1932.
Leisure Time Institutes in general (both ward and communal) . .	300	1,450	3,550	5,010	7,106	8,210	9,367
Leisure Time Institutes connected with particular undertakings (including Institutes connected with State undertakings) . .	260	761	1,259	1,670	2,139	2,228	2,394

The number of leisure time institutes in general is the total number of institutes, whether newly established or formed by amalgamation, or by the re-organisation of existing institutions. The number of the leisure time institutes connected with particular firms is that of all such institutes connected with business undertakings, etc., and includes those that are attached to the State services. They give, therefore, a general view of the situation. It may be noted in passing that the increases in the last few years are due largely to the formation of institutes in connection with private firms, while the figures relating to the earlier years, 1926 and 1927, include the leisure time institutes that were due to the initiative of workers employed by public bodies.

Further evidence of the foregoing statements is pro-

vided by the statistics indicating the number of members inscribed in these institutes, classified by occupational categories:—

Members.	1926.	1927.	1928.	1929.	1930.	1931.	1932.
Employed in industry .	92,858	188,289	348,018	534,397	609,655	683,851	684,413
Employed in agriculture .	23,309	60,141	101,210	236,816	262,619	333,599	335,102
Employed in commerce and banking . . .	22,676	69,599	113,927	191,375	205,627	205,819	206,245
Employed in transport .	8,044	25,523	43,305	58,612	75,771	80,809	80,429
Employed by public bodies	133,697	194,785	280,129	373,826	468,468	468,807	469,380

Of the persons employed by public bodies in 1926 and 1927 a large proportion were members of leisure time institutes, but from 1928 onwards the members employed in industry are the most numerous and their number steadily increases.

It is among members of the industrial classes, whether employees or workers, that leisure time institutes most readily flourish. This is due: (1) to the high level of education and culture in the category; (2) to the fact that persons belonging to this category live in populous centres or are collected in large groups in industrial districts; and further because, as already noted, the employers in industry have encouraged and continue to encourage their formation.

The policy of the Fascist National Party is to extend the leisure time institutes to all parts of the country so that there may be at least one in every Italian commune. Of 7,249 Italian communes no fewer than 5,399 had their own leisure time institutes by the end of 1930 and about 6,500 by the end of 1932.

CHAPTER VIII

NOTES ON SYNDICAL CONTRIBUTIONS

§ 1. All those who belong to syndical associations, even when merely represented, are bound to pay the compulsory syndical contributions. It is difficult to lay down any general rule regarding the method by which these contributions are fixed.

Methods of determining the compulsory Contributions payable by the various Syndical Categories.

Employers in industry are at present called upon to pay monthly contributions, varying according to the number of persons in their employment having a certain degree of specialisation or paid at certain rates. Persons employed in industry (from foremen to employees and hand workers) are, in like manner, called upon to pay monthly contributions, varying according to their degree of specialisation from a maximum sum of 8·50 liras for foremen and administrative officers, to a minimum payment of 0·333 liras per 100 liras of remuneration for almost all workers' categories.

The employers in industry represented by the General Fascist Confederation of Italian Industry pay every two months, by means of post-office current accounts, their own contributions in respect of the salaries and wages paid by them in the preceding two months.

The contributions of the owners of house-property represented by the National Fascist Federation of Owners of House Property are fixed on the basis of the taxable income as estimated for the purposes of the house-property tax to which owners in Italy are liable. The amount of the contribution is 0·30 liras for 100 liras of income.

For employers in agriculture (represented by the

National Fascist Confederation of Agriculture) the compulsory contributions are fixed in relation to the agricultural income and to the real property income, so as to fall on tenant-farmers and on owners who do not directly cultivate their lands respectively. Owners who are direct cultivators are logically compelled to pay both in respect of the agricultural income and of the real property income. The contributions are paid by the farmers at the same time as the taxes on agricultural income and on real property.

For persons employed in agriculture (employees on farms and workers properly so-called) the compulsory syndical contributions are fixed on the basis of the daily wage and of an approximate estimate of the number of days of work required for each kind of farming, including animal husbandry. These factors are determined by a mixed provincial committee, composed of representatives of the Employers' Confederation and of the Workers' Confederation. The amount of the contribution varies according to the degree of specialisation of the employed person, but for ordinary labourers 0·333 liras per 100 liras of wages is taken as the standard. The contribution is deducted by the employer from the remuneration at the time of payment.

The National Fascist Confederation of Commerce is authorised to impose on the employers whom it represents an annual aggregate of compulsory contributions, at present fixed at 42,800,000 liras. A substantial part of this sum is obtained by the Confederation by crediting to the employers in payment of the contribution the interest on the caution-money which, according to Italian law, every dealer who has a shop or store, etc., must deposit. Employers who are not called upon to deposit caution-money pay a contribution fixed in advance and proportionate to the annual income assessed on the value of their business for purposes of income tax (*imposta di richezza mobile*).

For persons employed in commerce (from technical and administrative officials to employees represented by

the National Confederation of Fascist Syndicates of Commerce), the amount of the compulsory contribution is fixed in relation to the average salary of each category of employees. The employers, when paying salaries, deduct the contributions that employees are required to make.

The National Fascist Confederation of Internal Communications is authorised to impose on the employers whom it represents an annual aggregate of compulsory contributions at present fixed at 6,400,000 liras. The amount of the contributions is fixed for the different employers as a percentage (usually 3 to 4 per cent) on the amount of the State tax, in the case of railway, tramway and navigation companies liable to this tax, or as a percentage (usually 0·20 per cent) on the gross returns realised on transport business in the case of firms not subject to the State tax or of urban motor services.

The various other groups of employers represented by the Confederation of Internal Communications which cannot be assessed for their compulsory contributions in either of these ways, pay in respect of each vehicle or on the basis of assessments made case by case by the Ministry of Communications.

For persons employed in internal communications (from foremen and administrative officials to general workers, all represented by the National Confederation of Fascist Syndicates of Internal Communications), the amount of the compulsory contribution and the methods of payment are precisely on all fours with those described in the case of persons employed in commerce. For port workers the contribution is fixed at the rate of 0·333 liras per 100 liras of wages received.

The employers in sea transport firms represented by the National Fascist Confederation of Sea and Air Transport pay their contributions annually. At present the amounts are determined on the basis of the number of persons employed and of the average salaries and wages paid to them in accordance with the tables appended to the law of 1930 on the system of syndical

contributions. The amount of the contribution varies according as it refers to owners of vessels of more or of less than 500 tons displacement. For persons employed in sea and air transport services, whether holding officers' rank or simple workers, the compulsory contribution is fixed on the basis of the average remuneration determined according to the tables appended to the law above-mentioned. The contribution is paid by the workers by means of a deduction made by the ship-owner through the medium of the paymaster in proportion to the period covered by the remuneration. The employer pays the sums deducted every three months by means of post office current accounts.

For the employers and workers in banking houses, represented respectively by the National Fascist Confederation of Credit and Insurance and by the National Confederation of Fascist Syndicates of Credit and Insurance, the amount of the contribution is determined by a mixed ministerial committee. This committee, of which the chairman is an official of the Ministry of Corporations, includes representatives of the different categories of employers and employees and fixes the amount of the contributions for employers and employees on the basis of the average remuneration of the various groups of employed persons.

The employers pay their own contributions once a year and at the same time those of the persons in their employment by a deduction of the prescribed percentage from the salaries paid.

For persons exercising an independent intellectual profession the contribution is fixed at the rate of 1 per cent of the taxable income as estimated for purposes of income tax.

In the case of persons who, although represented by the Confederation of Professional Men and Artists, do not carry on any avocation to which the system of fixing the contribution just described is applicable, the amount is settled by special committees subject to approval by the Ministry.

For workers employed by professional men the amount of the contribution is fixed by the National Confederation of Fascist Syndicates by which they are represented, in proportion to the average remuneration in each category.

The payment is made in two half-yearly instalments at the same time as the last instalment of direct taxes, falling due in the half-year.[1]

§ 2. Besides these compulsory contributions payable by all persons engaged in a profession or trade, and also by owners of house-property, and accordingly falling on all persons represented by the various occupational associations, there are additional contributions payable by individuals regularly inscribed as members of occupational associations. These are known as supplementary contributions and differ from the compulsory contributions in the method of calculation and in the purposes to which they are applied. In fact, the supplementary are not so fixed as are the compulsory contributions as to correspond to the professional income or to the wages of the member, but usually take the form of a fixed sum payable periodically or once only. While the compulsory contributions serve, broadly speaking, for fulfilling the public service of "corporative organisation" and other collateral purposes definitely laid down, these supplementary contributions are used to supplement the income of the individual occupational association for the direct and exclusive advantage of their internal working.

Other types of Contributions.

For the purpose of clearly defining the syndical contributions so as to keep them within reasonable limits, a Royal Decree dated 4 April 1929 distinguishes three kinds of contributions as payable, should the competent Confederation so decide, with the approval of the Ministry. These contributions are as follows:—

1. Contributions for membership cards and badges;

[1] It is stated on credible authority that the compulsory contributions provide at least 40 per cent of the income of the occupational associations. For the statistics of compulsory syndical contributions received, see tables in Appendix B.

2. Membership contributions in addition to the foregoing, the amount of which may be fixed from year to year within certain limits by the competent Confederation at the time of the approval of the estimates. For example, new members may be called upon to pay an entrance fee;

3. Optional contributions which members can only be called upon to pay in order to meet special but absolutely necessary expenditure for which no other resources are available. These contributions may be continuous for a period not exceeding ten years and must always be imposed by vote of a special majority of the regular members, subject to the usual safeguards, as in the case of other kinds of contribution.

Characteristics of Syndical Contributions.

§ 3. Syndical contributions are regarded by some publicists in Italy as a specific tax imposed for the maintenance of a determined public service, which may be described as "the corporative organisation of the productive categories." In their view the character of this tax is shown by the selection of the contributors who are held liable to pay, inasmuch as they participate in the economic and social life of the country. On the other hand, according to other students of the science of finance, syndical contributions are comparable to taxes, only to the same extent as the contributions to any private association for membership in which some form of contribution is an essential condition.

According to the present writer, the second interpretation ascribes too little importance to the unquestionable fact that, in the corporative system, all citizens and also foreigners living in the kingdom and in any way directly concerned with production, even if only as owners of house-property, are compelled to pay at any rate the compulsory syndical contribution. This fact proves that, in the intention of the legislator, the syndical contribution is much more important than the membership contribution paid to an association, even if it be a recognised public association, and that it

represents, not so much a tax imposed to meet the cost of a particular service, as a general contribution payable by all citizens taking any part in the process of production, and allocated as a whole, not only to financing the corporative organisation properly so-called, but also to various purposes such as benefit funds, education, etc.

APPENDIX A

THE LABOUR CHARTER[1]

THE CORPORATIVE STATE AND ITS ORGANISATION

I.—The Italian Nation is an organism endowed with a purpose, a life and means of action transcending those of the individuals, or groups of individuals, composing it. It is a moral, political and economic unit which finds its integral realisation in the Fascist State.

II.—Work, in all its various forms—directive and executive, intellectual, technical and manual—is a social duty. On these grounds, and on these grounds alone, it is protected by the State.

From the National standpoint, the whole body of production is a single unit; it has one and a single object—namely, the well-being of the individuals and the development of national power.

III.—Syndical or occupational organisation is free. But syndicates legally recognised and subject to State control alone have the right legally to represent the whole category for which they are constituted; to protect its interests in relations with the State, and with other occupational associations; to stipulate collective labour contracts binding on all members of the category, to levy contributions and to exercise on its account the public functions delegated to them.

IV.—The concrete expression of the solidarity existing between the various factors in production is represented by the collective labour contract, which conciliates the conflicting interests of employers of labour and of workers, subordinating them to the higher interests of production.

V.—The Labour Court is the organ through which the State intervenes in order to settle labour disputes, whether arising from the observance of contracts or other existing rules or from the formulation of new labour conditions.

VI.—The legally recognised occupational associations ensure

[1] The Labour Charter is not a set of specific rules, but a general scheme of legal principles on which present Italian legislation on industrial and economic relations is based.

legal equality between employers and workers, maintain discipline in production and labour and promote the betterment of both.

The Corporations constitute the unitary organisation of the forces of production and represent all their interests.

In virtue of this integral representation, and in view of the fact that the interests of production are the interests of the Nation, the law recognises the Corporations as State organs.

The Corporations, as representing the interests of production as a whole, may, whenever they are vested with the necessary powers by the syndical associations, lay down compulsory rules concerning the discipline of labour relations as well as the co-ordination of production.

VII.—The Corporative State considers that, in the sphere of production, private initiative is the most effective and valuable instrument in the interests of the Nation.

In view of the fact that the private organisation of production is a function of national concern, the organiser of the enterprise is responsible to the State for the management of its production. Collaboration between the forces of production gives rise to reciprocal rights and duties. The worker, whether technician, employee or labourer, is an active collaborator in the economic enterprise, responsibility for the direction of which rests with the employer.

VIII.—Occupational associations of employers are required to promote by all possible means an increase and an improvement in production and a reduction in costs. The representatives of those who follow a liberal profession or an art and the associations depending on the State unite for the protection of the interests of art, of science and of letters, for the improvement of processes of production and for achieving the moral aims of the corporative system.

IX.—State intervention in economic production arises only when private initiative is lacking or is inadequate, or when State political interests are involved. This intervention may take the form of control, of assistance and of direct management.

X.—In collective labour controversies judicial action cannot be invoked unless the corporative body has first tried conciliation.

Occupational associations have the right, in individual disputes concerning the interpretation and the application of collective labour contracts, to employ their good offices for the purpose of conciliation.

The ordinary courts are competent to deal with such disputes, assisted by experts appointed by the occupational associations concerned.

COLLECTIVE LABOUR CONTRACTS AND LABOUR GUARANTEES

XI.—Occupational associations are required to regulate by means of collective contracts the labour relations existing between the various categories of employers of labour and of workers represented by them.

The collective labour contract is stipulated between minor associations under the direction and the control of the central organisations, except in the event of the exercise of the power of substitution by the higher grade association in the cases specified by the law or by the statutes.

Every collective labour contract must, under pain of nullity, contain precise rules on disciplinary relations, period of probation, amount and payment of remuneration and hours of work.

XII.—The action of the syndicate, the work of conciliation of the corporative bodies and the decisions of the labour court shall guarantee that wages shall correspond to the normal exigencies of life, to the possibilities of production and to the output of labour.

Wages shall be fixed without reference to any general rules as a matter of agreement between the parties to the collective contracts.

XIII.—The data supplied by the Public Administrations, by the Central Statistical Office and by the legally recognised occupational associations regarding conditions of production and of work, the situation of the money market and the variations in the workers' standard of living shall, after having been co-ordinated and compiled by the Ministry of Corporations, supply the standard for harmonizing the interests of the various categories and classes one with the other and with the higher interests of production.

XIV.—Payment shall be made in the form most suitable to the needs of the workmen and of the enterprise.

When the payment is by piece and the amounts due thereunder are paid at intervals of more than a fortnight adequate weekly or fortnightly sums on account are payable.

Night work, with the exception of ordinary regular night-shifts, must be paid at a higher rate than day work.

When the work is paid at piece-rate, the rate must be such that a diligent workman of normal working capacity shall be able to earn a minimum amount over and above the basic wage.

XV.—The worker has the right to a weekly day of rest which shall fall on the Sunday.

Collective contracts shall apply this principle while taking into account any rules in force, the technical requirements of the enterprises and within the limits of such requirements shall see that civil and religious holidays are observed in accordance with local traditions. The working time-table must be scrupulously and zealously observed by the worker.

XVI.—After the expiry of a year of uninterrupted service in an undertaking requiring continuous service the worker has the right to an annual paid holiday.

XVII.—In undertakings requiring continuous service the worker has the right, in the event of a cessation of labour relations as a result of discharge through no fault of his own, to an indemnity proportionate to his years of service. A similar indemnity is also due in the event of the worker's death.

XVIII.—In undertakings requiring continuous service a transfer to other hands shall not put an end to the labour contract and the workers employed preserve their rights with regard to the new employer. Similarly, the illness of the worker, provided it does not exceed a certain period, does not determine the labour contract. Call to military service, or to service in the Fascist Militia is not good ground for discharge.

XIX.—Breaches of discipline or acts which disturb the normal working of the undertaking on the part of the workers, shall be punished according to the gravity of the offence, by fine, by suspension from work or, in more serious cases, by immediate discharge without compensation. The cases for which the employer can impose fines, suspension from work or immediate discharge without payment of compensation shall be specified.

XX.—A worker, on taking up a new post, must undergo a probationary period; both parties have a right to the cancellation of the contract by payment only of the wage or salary for the time of actual service.

XXI.—The privileges and control of the collective labour contract extend also to home workers. Special rules shall be issued by the State in order to secure proper control and hygiene in home work.

EMPLOYMENT BUREAUS

XXII.—The State alone can ascertain and control the phenomenon of the employment and unemployment of workers, which provides a general index of the conditions of production and of labour.

XXIII.—Employment bureaus are constituted on a bilateral basis and subject to control by the corporative organ of the State. Employers are required to engage workers through these bureaus. They have the right of choice among the persons registered, given a preference to those who are members of the Party and of the Fascist Syndicate, according to their seniority on the register.

XXIV.—The occupational associations of workers are required to exercise a process of selection among the workers, with the object of the constant improvement of their technical qualifications and personal qualities.

XXV.—The corporative organs shall see to the observance of the laws on the prevention of accidents, and on the discipline of the work of the members of the federated associations.

PRINCIPLES OF PROVIDENCE, SOCIAL ASSISTANCE, TRAINING AND EDUCATION

XXVI.—Provident insurance is an important expression of the principle of collaboration. The employer and the worker should both bear a proportional share of the burden. The State, through the medium of the corporative bodies and of the occupational associations, shall see to the co-ordination and unification, so far as possible, of the system and of the various provident institutions.

XXVII.—The Fascist State proposes:—

(i) the development of the system of accident insurance;

(ii) the improvement and extension of maternity insurance;

(iii) a system of insurance against industrial diseases and tuberculosis as a step towards insurance against all forms of sickness;

(iv) the development of insurance against involuntary unemployment;

(v) the adoption of special forms of endowment insurance for young workers.

XXVIII.—The workers' associations are required to act as guardians of those whom they represent in administrative and judicial proceedings arising out of accident and social insurance.

Collective labour contracts shall establish mutual sickness funds, whenever technically possible, through contributions provided by employers and workers, to be administered by representatives of both parties, under the supervision of the corporative organ.

XXIX.—The social assistance of the individuals represented, whether members or non-members, is a right and a duty of the

occupational associations. The associations must exercise, directly, through their own organs their functions of social assistance and may not delegate them to other bodies or institutions, except for purposes of a general nature, transcending the interests of particular categories.

XXX.—The training and education, especially the vocational education, of the individuals they represent, whether enrolled members or otherwise, is one of the principal duties of the occupational associations. These associations are required to work side by side with the National Leisure Time Institution (*Dopolavoro*) and other educative institutions.

APPENDIX B

SYNDICAL ASSOCIATIONS OF EMPLOYERS

legally recognised as on 1 February 1933

National Confederations of Employers. I.	Confederations.	Associations of Second Degree.*		Unitary Territorial Associations.				
		National.	Inter-provincial.	National.	Inter-provincial.	Provincial.	Local.	
1. General Fascist Confederation of Italian Industry	1	41	—	4	48	70	3	167
2. National Fascist Confederation of Farmers.	1	—	—	—	—	92	—	93
3. National Fascist Confederation of Commerce	1	14	—	1	—	92	—	108
4. National Fascist Confederation of Internal Communications	1	3	—	2	15	—	—	21
5. National Fascist Confederation of Sea and Air Transport .	1	—	3	3	8	—	—	15
6. National Fascist Confederation of Credit and Insurance . .	1	—	—	10	—	—	—	11
TOTAL . . .	6	58	3	20	71	254	3	415

* Consisting of Unitary Territorial Associations.

SYNDICAL ASSOCIATIONS OF WORKERS

legally recognised as on 1 February 1933

National Confederations of Workers. II.	Confederations.	Associations of Second Degree.*	Unitary Territorial Associations.			Total.
			National.	Inter-provincial.	Provincial.	
1. National Confederation of Fascist Industrial Sydicates	1	12	5	—	92	110
2. National Confederation of Fascist Agricultural Syndicates	1	5	1	—	92	99
3. National Confederation of Fascist Syndicates of Commerce	1	6	—	—	92	99
4. National Confederation of Fascist Syndicates of Land Transport and Internal Navigation Workers	1	6	—	16	—	23
5. National Confederation of Fascist Syndicates of Employees in Banks and Insurance Offices	1	3	1	14	—	19
6. National Confederation of Fascist Syndicates of Seamen and Airmen	1	—	4	—	—	5
TOTAL	6	32	11	30	276	355

* Consisting of Unitary Territorial Associations.

SYNDICAL ASSOCIATIONS OF PROFESSIONAL MEN AND ARTISTS

legally recognised as on 1 February 1933

III.	Confederations.	Unitary Territorial Associations					Associations of Second Degree, National Sydicates.	Total.
		Provincial.	Inter-provincial.	Regional.	Court of Appeal Districts.	Local Court Districts.		
National Confederation of Professional Men and Artists	1	642	12	180	44	126	21	1,026

NUMBER OF FIRMS OR INDIVIDUALS REPRESENTED AND OF MEMBERS IN THE SYNDICAL ASSOCIATIONS OF EMPLOYERS OF LABOUR (AS ON 31 DECEMBER 1932)

1. General Fascist Confederation of Italian Industry:	
Firms or individuals represented	117,630
id., members	70,044
2. National Fascist Confederation of Farmers:	
Firms or individuals represented	2,800,000
id., members	543,486
3. National Fascist Confederation of Commerce:	
Firms or individuals represented	747,884
id., members	365,422
4. National Fascist Confederation of Internal Communications:	
Firms or individuals represented	29,682
id., members	11,576
5. National Fascist Confederation of Credit and Insurance:	
Firms or individuals represented	10,659
id., members	3,835
6. National Fascist Confederation of Sea and Air Transport:	
Firms or individuals represented	2,038
id., members	1,465
7. Independent Fascist Federation of the Artisan Communities of Italy:	
Firms or individuals represented	550,000
id., members	148,805

NUMBER OF PERSONS REPRESENTED AND OF MEMBERS IN THE SYNDICAL ASSOCIATIONS OF WORKERS (AS ON 31 DECEMBER 1932)

1. National Confederation of Fascist Industrial Syndicates:	
Persons represented	2,160,602
id., members	1,654,340
2. National Confederation of Fascist Agricultural Syndicates:	
Persons represented	2,815,778
id., members	1,659,011
3. National Confederation of Fascist Syndicates of Commerce:	
Persons represented	650,000
id., members	350,632
4. National Confederation of Fascist Syndicates of Land Transport and Internal Navigation Workers:	
Persons represented	303,352
id., members	194,230
5. National Corfederation of Fascist Syndicates of Employees in Banks and Insurance Offices:	
Persons represented	47,996
id., members	33,781
6. National Confederation of Fascist Syndicates of Seamen and Airmen:	
Persons represented	124,648
id., members	50,772
7. National Confederation of Professional Men and Artists:	
Persons represented	120,223
id., members	90,227

SYNDICAL CONTRIBUTIONS RECEIVED *

Confederations.	1930. Gross Amount.	1930. Net Amount paid to the Confederations and to the Minor Associations.	1931. Gross Amount.	1931. Net Amount paid to the Confederations and to the Minor Associations.	1932. Gross Amount.	1932. Net Amount paid to the Confederations and to the Minor Associations.
	In thousands of liras.					
Employers:						
1. General Fascist Confederation of Italian Industry . . .	78,997	58,825	66,988	49,782	67,473	50,523
2. National Fascist Confederation of Farmers	64,370	46,347	54,470	39,218	63,259	45,546
3. National Fascist Confederation of Commerce	37,921	27,303	42,736	30,770	39,937	28,754
4. National Fascist Confederation of Sea and Air Transport .	2,430	1,750	2,450	1,764	2,784	2,004
5. National Fascist Confederation of Internal Communications .	6,698	4,823	7,232	5,207	6,942	4,998
6. National Fascist Confederation of Credit and Insurance . .	5,678	4,114	4,255	3,184	4,882	3,796
7. Independent Fascist Federation of the Artisan Communities of Italy . .	8,036	5,786	8,985	6,479	9,505	6,843

* These are compulsory contributions.

SYNDICAL CONTRIBUTIONS RECEIVED * (*continued*)

Confederations.	1930. Gross Amount.	1930. Net Amount paid to the Confederations and to the Minor Associations.	1931. Gross Amount.	1931. Net Amount paid to the Confederations and to the Minor Associations.	1932. Gross Amount.	1932. Net Amount paid to the Confederations and to the Minor Associations.
	In thousands of liras.					
Workers:						
1. National Confederation of Fascist Industrial Syndicates . . .	40,194	28,828	39,296	28,293	31,712	22,831
2. National Confederation of Fascist Agricultural Syndicates .	11,112	8,000	13,568	9,769	19,593	14,107
3. National Confederation of Fascist Syndicates of Commerce . .	8,907	6,410	9,401	6,768	10,069	7,249
4. National Confederation of Fascist Syndicates of Land Transport and Internal Navigation Workers .	5,415	3,900	5,067	3,648	4,552	3,277
5. National Confederation of Fascist Syndicates of Seamen and Airmen	2,707	1,993	2,457	1,808	2,115	1,557
6. National Confederation of Fascist Syndicates of Employees in Banks and Insurance Offices	2,000	1,440	1,350	972	1,314	946
7. National Confederation of Professional Men and Artists . .	6,967	5,016	9,388	6,759	7,913	5,697

* These are compulsory contributions.

Collective Labour Contracts

1. *National and Inter-provincial Collective Labour Contracts*

	Agriculture.	Industry.	Commerce.	Banking.	Land Transport, etc.	Sea and Air Transport.	Professional Men, etc.	Total.
Contracts, deposited, from the date when the law came into force till 31 December 1930 . . .	17	100	53	66	37	8	—	281
in 1931	5	38	6	9	49	12	—	119
in 1932	2	36	10	46	52	15	5	166
Contracts, published, from the date when the law came into force till 31 December 1930	8	54	42	57	21	7	—	189
in 1931	3	19	8	11	12	5	—	58
in 1932	4	38	1	42	38	13	3	139

Collective Labour Contracts

2. *Provincial Collective Labour Contracts*

	Agriculture.	Industry.	Commerce.	Banking.	Land Transport, etc.	Sea and Air Transport.	Professional, etc.	Total.
Contracts, arranged, from the date when the law came into force till 31 December 1930 .	1,029	4,507	875	74	744	27	—	7,256
in 1931	196	762	246	9	271	—	—	1,484
in 1932	222	893	153	20	217	1	11	1,517
Contracts, published, from the date when the law came into force till 31 December 1930 .	443	1,262	417	41	511	—	—	2,674
in 1931	168	637	245	8	244	1	—	1,303
in 1932	113	718	122	37	243	—	11	1,244

MUTUAL AID AND INSURANCE FUNDS FOR INDUSTRIAL WORKERS IN ITALY

Institutions.	Position as at the End of 1931.		Position as at the End of 1932.	
	Number of Institutions.	Number of Members.	Number of Institutions.	Number of Members.
Established by Syndical Associations:				
(*a*) in connection with individual Firms	881	438,512	1,474	502,718
(*b*) in connection with a number of grouped Firms . . .	61	117,955	114	203,043
(*c*) Occupational Funds . . .	272	377,468	287	588,114
Total . . .	1,214	933,935	1,875	1,293,875
Independent Institutions * . . .	239	59,102		
GENERAL TOTAL .	1,453	993,037		

* In 1932 the Independent Institutions were transformed and are now grouped with the Institutions established by the Syndical Associations.

NATIONAL INDEX NUMBER FOR COST OF LIVING
(*first six months of* 1914 = 100)

Years.	Index Number.	Years.	Index Number.	Years.	Index Number.
1914 (first six months) . .	100·0	1923 . . .	411·9	1929 . . .	445·6
1919 . . .	268·1	1924 . . .	426·4	1930 . . .	430·5
1920 . . .	352·3	1925 . . .	479·0	1931 . . .	388·7
1921 . . .	416·8	1926 . . .	516·7	1932 . . .	370·3
1922 . . .	414·3	1927 . . .	472·4		
		1928 . . .	437·8		

AVERAGE DECEMBER RATES OF WAGES PER HOUR

(N.B.—These figures are given by the General Fascist Confederation of Industry and are calculated on a varying number of establishments.)

Years and Months.	Figures for Wages calculated in relation to the Percentage Variations as from February 1928. (liras).	Index Figures for Wages considering the Average of the Wages paid during period July 1928–June 1929 as = 100 (liras 1,989).
December:		
1928	2·02	101·6
1929	2·03	102·1
1930	1·90	95·5
1931	1·78	89·5
1932	1·72	86·5

LABOUR DISPUTES—I

	Number of Strikes.			Number of Strikers.			Number of Lock-outs.	Number of Workers Locked Out.
	Total.	Agric.	Indus.	Total.	Agricultural.	Industry.		
1914	864	82	782	222,482	49,379	173,103	12	9,367
1915	607	68	539	179,934	47,798	132,136	2	56
1916	577	61	516	138,508	14,892	123,616	3	424
1917	470	27	443	174,817	6,191	168,626	2	180
1918	313	10	303	158,711	675	158,036	3	740
1919	1,871	208	1,663	1,554,566	505,128	1,049,438	8	4,822
1920	2,070	189	1,881	2,313,685	1,045,732	1,267,953	16	18,113
1921	1,134	89	1,045	723,862	79,298	644,564	66	60,279
1922	575	23	552	447,919	25,146	422,773	37	18,829
1923	201	1	200	66,213	110	66,103	14	7,145
1924	362	6	356	183,725	2,713	181,012	6	3,417
1925	614	10	604	307,244	2,693	304,551	4	989
1926 (first six months)	126	1	125	23,395	16	23,379	1	70

LABOUR DISPUTES—II

Years.	Strikes.						Lockouts.	
	Number of Cases Reported.			Number of Individuals Reported.			Number of Cases Reported.	Number of Individuals Reported
	Total.	Agriculture.	Industry.	Total.	Agriculture.	Industry.		
1926 (last six months) . .	46	2	44	791	114	677	3	14
1927	154	5	149	18,633	1,881	16,752	15	27
1928	69	6	63	2,964	59	2,905	8	35
1929	74	6	68	3,222	180	3,042	9	30
1930	75	9	66	2,830	201	2,629	7	33
1931* (first six months) . .	49	10	39	3,406	684	2,722	1	11

* More recent figures were not yet available at the end of April, 1933.

N.B.—The first Table on Labour Disputes was prepared by the Ministry of Agriculture, Industry and Commerce, which became the Ministry of National Economy and hence of the Corporations. The second Table, after the Law of 3 April 1926 came into force, was compiled by the Ministry of Justice. The two Tables are thus not strictly comparable.

APPENDIX C

THE ECONOMIC BASIS OF ARBITRATION IN REGARD TO LABOUR

I

§ 1. Instead of taking theoretical considerations on free competition as our point of departure, it seems to be preferable, in present circumstances, to note to what extent economic freedom is practically applied in the market.

Absolutely free competition is a theoretical case in a Market.

Contemporary economists have been at some pains to bring up to date the definition of competition formulated by their predecessors. Rarely has a conception held to be infallible and fundamental undergone so many limitations in a relatively brief period as has that of competition, from Bastiat to Marshall. Marshall reduces the present conception of free competition to that of freedom of industry and of enterprise, identifying that freedom with a certain customary independence in choosing one's own path, subordinating one's acts to a calculation, not merely immediate, of one's own interests.[1]

Free competition may, according to the English economist, be the consequence of this freedom, which is characteristic of our epoch. Such freedom may give rise to every type of combination and form of co-operation.

It is very likely that the English economists of the last fifty years, in putting forward such affirmations, were taking account principally of conditions in their own country, at a time of comparative stability in industrial production. In fact the type of competition which these economists have for the most part before their eyes corresponds fairly closely with type (*b*) defined by Marshall in his *Industry and Trade* as "ordinary business competition in which each of several neighbourly producers or traders endeavours to get ahead of the others; but neither makes

[1] Marshall, *Principles of Economics*, 4th edition, Chap. I, § 4.

nor tolerates the making by others, harsh judgment of their actions." [1]

At the present time anyone who referred to competition of this kind would be aiming at an ideal type, certainly not corresponding with actual conditions. Marshall himself admits, in speaking of the various ways in which monopoly influences prices, that in a really open market competition is often constructive and not ungenerous, but that, when a giant business [2] is striving to obtain a monopoly, the field of free competition is restricted and ferocious and unscrupulous methods of economic struggle increase.

§ 2. The barriers against the free circulation of goods and of individuals in economic exchanges are daily increasing to such an extent that the case of complete fluidity in economic relations seems more and more to be a theoretical conception from which it is hazardous to draw deductions.

Free competition renders the Market perfect.

It is possible to give, in words, illustrations of some intermediate cases in the equilibrium of exchanges, while it is doubtless very difficult to describe the case of absolute fluidity even when one is willing considerably to restrict the economic field. By means of the formulae of mathematical economists one can study a situation which in practice has never occurred. It is, no doubt, useful to know how the various factors of production in a market would adjust themselves if the obstacles which render it imperfect were not placed in the way of competition. Every individual who remains unsatisfied contributes towards putting the machinery of production in motion with a view to a better adjustment. Increasing indefinitely the number of individuals the number of exchanges is also indefinitely increased; since each individual is supposed to be free to make arrangements with any other individual in order to arrive at the condition which best suits him; hence the price tends to be equal to the lowest cost of production. No conception which in any way hinders this movement has in practice proved to be better than that which favours it. The differences that occur in regard to free competition do not so much arise from one theory which allows it and considers it advantageous and another theory which denies it and considers it harmful as from the practical possibilities of perfecting it that the modern economic world offers.

But New hindrances arise daily to the concrete realisation of this Theoretical Case.

[1] Marshall, *Industry and Trade*, Book III, Chap. XIV, § 6, p. 653. Macmillan, 1923.

[2] Op. cit., Book III, Chap. I, § 1, p. 396.

In terms of distribution it is certain that free competition distributes savings amongst various employments in such a way that by their application to production, the largest increase in aggregate production [1] is obtained and that the net rates of interest on the various kinds of capital is equal to the interest on savings, but this certainty is subordinated to such and to so many conditions as to limit in practice the truth of the principle.

§ 3. Many of the more important questions that agitate the modern economic world relate to the supply of raw materials and of capital. The localities in which raw materials are obtainable and the concentration of financial means in certain markets direct the currents of commerce in a uniform manner. Entire countries are subjected to the monopoly of other countries in respect of certain products and so both new industrial undertakings and old-established ones requiring capital depend on those who possess it and they, being necessarily bound together, fix the conditions of loans in a manner admitting of little variation.

Ethical Motives in Politics and in Economics.

Ethical questions have been discussed in the past with reference to more or less transcendental speculations whereby welfare and what is good were identified with opinions inspired by religious or philosophical tendencies. At the present time the main effort is to attain the greatest social well-being and it is sought to secure for every individual the greatest possible quantity of goods and of services so that the standard of living may be raised as high as possible for everyone. The aims of economists, of politicians and of sociologists do not seem to be inspired by tendencies towards any particular religious or moral good; it seems to be desired to give to everyone, theoretically, the individual possibility of believing what suits him best, while it is attempted to bring within the reach of everyone, in all places, a certain possibility of satisfying their needs, tastes and demands being to a considerable extent rendered uniform. To this result it seems that there is a tendency in practice whether it is sought to reduce Government intervention to the minimum, leaving to the State the function of intervening in extreme cases of difficulty in regard to distribution, or the duty is assigned to the State of providing for the production and distribution of goods, the State becoming owner of all the means of production while the individual becomes a dependant of the State or holds the means of production in usufruct.

In regard to the effective application of economic freedom in

[1] Barone, *Principi*, p. 24. Athenaeum, Rome, 1920.

the markets, both tendencies contribute very little to-day to the attainment of complete competition. Where Government intervention is rare and the law intervenes only in extreme cases, combines are formed and impose their own interests on classes less well-organised or less easily organised. The anti-trust laws in the United States of America are an example of the meagre results of opposing the spontaneous generation of some forms of monopoly in conditions adapted to them; the flourishing existence of workers' unions, strongly organised and controlling the labour market in certain trades in England, shows how, even in a country where economic freedom is traditional, free competition is to a large extent limited in one of the most important factors of production. In a State which concentrates in its own hands the means of production and still more in a Collectivist State the price of labour, as of many other services, tends everywhere to be kept artificially at the same level; the supply is controlled and new monopolies, trusts and combinations are progressively formed as production passes under the control of an oligarchy representing the community.

II

Dominating Influence of Economic Motives on Labour.

§ 1. At the present time individualism seems to find no place except in the ethical views of persons who themselves, as producers, tend more and more to organise collectively so as to have greater weight in the public economy and in the distribution of National Income. It is not easy to foresee what influence the growing spirit of corporate activity will have in changing individual psychology. It may be hoped that it will strengthen the ethical, rather than strictly economic, impulse towards co-operation and that, side by side with the sense of individual dignity, and rising above it, will be developed a sense of collective and social dignity.

Contemporaneously with the modern systems of production and in consequence of the well-known effects of industrialisation, the workers, like other social classes, have endeavoured by combination to find the strength to resist in the play of conflicting currents of production. Marshall treats the characteristics of labour exhaustively in his *Elements*.[1] We refer anyone who may wish to see a full statement of the disadvantages under which the worker suffers in offering his services to the employer to the work of the English economist, and lay stress on the fact that

[1] Marshall, *Elements*, pp. 263 *et seq.* Macmillan, 1925.

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collective action, through the various forms of "Combinations," helps to reduce the evils resulting from these disadvantages. By "Combination" is meant a group of individuals who, having similar tastes, usually tend to have similar objects. Thus an association of individuals exercising the same profession or trade tends to bring about a certain systematisation of production. The workers' Combinations have a double object, the one economic, the other ethical and social. The economic motives seem hitherto to have had most influence in the life of the workers' organisations.

Secondary Influence of Ethical and Social Motives.

Such motives have often been the necessary and sufficient reason of the prosperity of workers' Combinations. The same cannot be said of the ethical and social motives in view of the examples to be found in the history of the Christian Unions and of many leagues, syndicates and alliances, whether socialistic or of any other colour or tendency.

Labour as a commodity depends on a number of circumstances, which vary according to the place and to the time. The wages and skill of the workers, the customs and methods of work, the psychology of the employers and workers, differ greatly from region to region. The ties of interest between the working classes in different nations are uncertain and changeable, so that in spite of sentimental aspirations towards internationalism, labour events have hitherto had an indirect influence, and not a particularly striking one, from country to country. The tendency of workers to emigrate from over-populated countries to countries less densely populated by way of economic adjustment is at the present time almost universally impeded by every nation for various reasons, chief among which are the sentiment of nationalism and the desire felt by every people to assure to itself at a certain moment the highest possible standard of life. The free movements of the supply of labour on the world markets are necessarily hindered for reasons both intrinsic and extrinsic and thus the workers' Combinations have inevitably tended hitherto, as Lorwin[1] acutely observes in his latest book, to remain a national phenomenon.

Probable Change in this Situation.

§ 2. That this is the position of the working classes of the different countries in relation to one another seems to us to be indisputable, but there is nothing to show that this position must remain indefinitely the same. It is probable that with the increase of economic knowledge and of the means of communication to spread it, the

[1] Lorwin, *Labor and Internationalism*, p. 610. The Macmillan Co, 1929.

working classes may tend to come to an understanding between themselves with a view to stabilising the supply of labour, just as the strongest producers of certain goods endeavour to stabilise the prices of such goods in the various markets. In present circumstances the hope of an international stabilisation of the labour market seems to be merely the aspiration of a few thinkers; but the disadvantageous effects on the condition of individuals and on the general economy resulting from the want of stabilisation are such, that it is by no means improbable that the more intelligent among the workers will become convinced, as time goes on, of the necessity of international stabilisation and that it may in the future enter into the order of practical proposals.

III

§ 1. The elementary case of barter between two parties in a closed market, taking account of the relation between the marginal utilities of the two articles, has generally been considered as a problem "more curious than important." [1]

Elementary case of Barter between two Contracting Parties in a Closed Market.

In consequence of the many Combinations that have been formed on the markets in recent years, the number of contracting parties in the purchase and sale of different commodities has been considerably reduced. This is particularly evident if we consider the labour market. Compared with other goods, labour, as a commodity, has a special behaviour, the result of the characteristics peculiar to it, for a statement of which the reader may be referred to the enumeration given by Marshall. Now that the supply is more and more represented by a few powerful organisations which treat with an employer or an association of employers, it frequently happens that the exchange is restricted to a very limited number of contracting parties. The system of collective agreements at present in force in Italy and the decisions of the Labour Tribunal (*Magistratura del lavoro*) in cases of dispute or in fixing new agreements cause to be considered every day the case of two single contracting parties confronting one another. Hence arises the necessity for considering carefully, even from a theoretical point of view, the problem of barter, which, as it presents itself in existing circumstances, seems to our eyes important rather than curious. Let us consider, in a closed

[1] Marshall, *Principles of Economics*, 4th edition, Book V, Chap. II, § 200.

market at a given moment, two individuals: X, a worker, and Y, an employer. X has need of money, Y has need of labour. X requires a certain daily remuneration to supply his necessities. Above this daily remuneration, which forms the point of departure beyond which he cannot go, X formulates various demands more favourable to himself.[1]

These demands are based on suppositions formed by X regarding the need that Y will have of labour and on his desire to gain something more than the satisfaction of his minimum needs. Suppose that, within certain limits, X is physically capable of working rather more than eight hours a day if he is asked to do so and that he must be able to obtain subsistence if he is asked to work rather less than eight hours a day (without, however, excluding the possibility of doing overtime work under another arrangement). Let the initial position of X be represented, for example, by a wage of 16 liras a day for eight hours' work; starting from this rate of wages, it will be indifferent to him whether he works nine hours for 18 liras or ten hours for 19 liras 50 centimes, or, on the other hand, seven hours for 15 liras, or six hours for 13 liras 75 centimes. These rates will be indifferent to X since he would be disposed to accept any of them. Beyond ten hours' work X will cease to accept further proposals as his strength would not enable him to do more work, while below six hours the remuneration would become insufficient by itself to pay his subsistence expenses.

The position of Y in making the bargain is precisely the contrary. In consequence of the conditions of his industry and of the labour market, he will be disposed to pay to a worker a certain salary above which it is no longer an advantage to him to have the work done. Naturally, the employer wishes to save on the cost of labour and he will tend to offer always less than what he is prepared to pay in the event of not being able to make better

[1] Pareto's conception of the curve of indifference is quite distinct from that of Edgeworth. The latter postulates the conception of utility for each of the two contracting parties in order to trace the curve of indifference. Pareto starts with the tastes of the individuals and with the aid of these alone traces the curve of indifference. It is not, in our opinion, indisputably beyond question that this author sets aside, as he himself says (Pareto, *Manuale*, p. 165 [note] and p. 258) the conception of "ophelimity" confining himself to considering the tastes of an individual. In reality, by giving us the quantities of goods possessed by an individual and the conditions on which this individual is willing to give portions of the goods he possesses in order to have other goods, he supplies to us all the elements necessary for the determination of "ophelimity".

terms. Let the extreme position of Y, for example, be represented by a wage of 26 liras for an eight-hour day; starting from this ratio he will be equally satisfied to give 28 liras 50 centimes for nine hours or 32 liras for ten hours, as also 24 liras for seven hours or 21 liras 50 centimes for six hours.

Though the circumstances of each of the parties may change somewhat there will be formed in this labour market different series of indifferent ratios for X in terms of the commodity offered by Y (in this case remuneration for labour) and for Y in terms of the commodity offered by X. X may find himself in circumstances different from the case described, that is, the marginal utility of money for him may be greater or less than in that case. In like manner the marginal utility of labour may be different for Y. Hence various series of indifferent ratios come to be formed for either party, each constructing in terms of the goods offered by the other a scale of exchange values corresponding to an equal number of initial positions in the bargaining of each party; as the marginal activities vary, other combinations are possible.

Table of possible combinations between two commodities.

§ 2. The series of ratios above indicated may be expressed thus schematically in the form of a table [1]:

Hours of labour .	6	7	8	9	10
Remuneration (liras) .	13·75	15	16	18	19·50
Hours of labour .	6	7	8	9	10
Remuneration (liras) .	21·50	24	26	28·50	33

§ 3. Let us represent graphically the phenomenon described. Let there be two axes of co-ordinates, x and y, at right angles to one another. Along the axis of x let the work done by X be measured; along the axis of y let the remuneration paid by Y be measured. Let X, for example, be in a position to accept a wage of 13 liras 75 centimes for six hours of work, 15 liras for seven hours, etc., as previously stated. Let these indifferent ratios for X be represented by the points a, a_I, a^{II}, a^{II}_I, a^{IV}. Joining these points by a continuous line we obtain a curve of constant satisfaction, which has been called by Edgeworth a *curve of indifference*.[2] The curve of indifference or of proportionately constant satisfaction passing through a given

Graphic representation by means of the curves of proportionately constant satisfaction.

[1] The series of ratios are given by way of example and the divergence between the series indicated has no relation to practical cases.

[2] Edgeworth, *Mathematical Psychics*, p. 21. Kegan Paul, 1881, London.

point is the locus of all the ratios or combinations that give to a contracting party the same satisfaction as the ratio represented by that point.

In like manner let us represent the series of indifferent ratios for Y, indicating the units of remuneration that he pays in respect of units of labour. Let these ratios be represented by the points

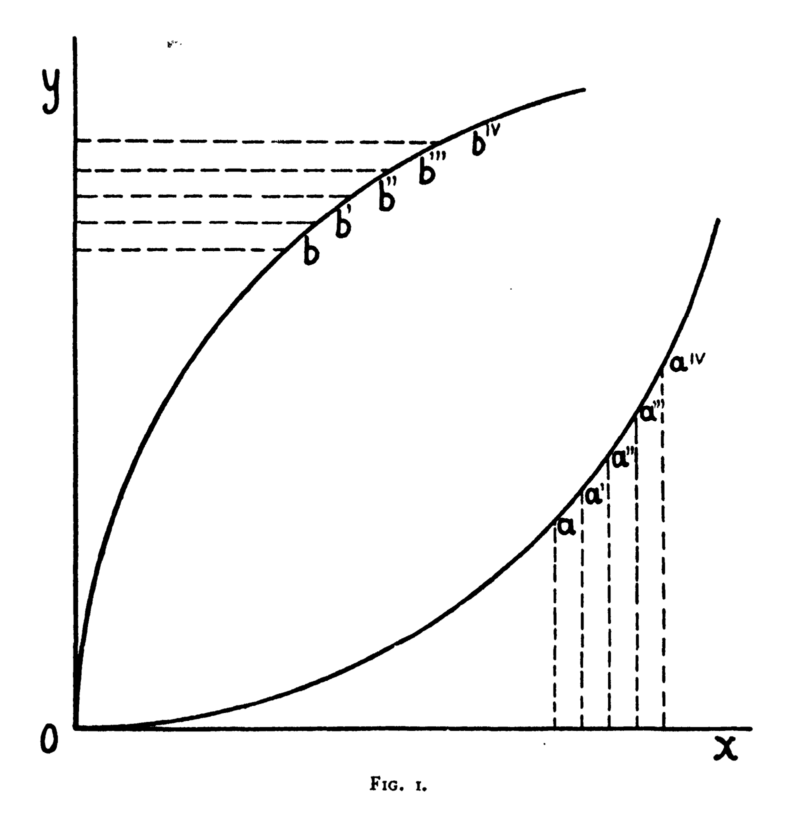


FIG. 1.

b, b^{I}, b^{II}, b^{III}, b^{IV}; joining these points by a continuous line we obtain the curve of constant satisfaction for Y.

Graphically to a curve of indifference that lies close to the axis of x corresponds a very unfavourable position for X, and to a curve of indifference that lies close to the axis of y corresponds a very unfavourable position for Y. X and Y establish therefore at a given moment ratios determining respectively the positions below which they are not disposed to descend. Participating in

a productive process neither X nor Y wishes in any case to recede from his own starting point, but rather to improve his position. X, coming in contact with Y in order to fix the conditions of labour, does not know exactly what are Y's possibilities; Y, on the other hand, has no precise knowledge of the minimum wage that X is disposed to accept. The possibility of agreement exists therefore in so far as neither party has an exact idea of the limit of resistance of the other.[1]

§ 4. Is it possible for X and Y to reach a point of equilibrium? In other words, can a stable position based on mutual consent be reached by X and Y, both being animated by individual interest? The mathematical symbols help us to answer this question. Let x and y be the portions of the goods exchanged between X and Y respectively. Let

$$P = F\ (x,y)$$

be the total utility of X, and

$$\Pi = \Phi\ (x,y)$$

be the total utility of Y.

If now we ask at what point X and Y will reach equilibrium, we shall find that it remains indeterminable inasmuch as there exists only one condition for two variables.[2] In fact, let us regard

$$P - F\ (x,y) = O$$

as a surface, P indicating the length of the ordinate drawn from any point of the plane xy to the surface.

Let us regard in like manner

$$\Pi - \Phi\ (x,y) = O$$

We have to find a point (x,y) such that in whatever direction an infinitesimally small displacement may be made, P and Π do not vary in the same way, but while one increases the other diminishes.

Determination of the Contract-Curve.

Let us consider first in what directions X can move from a point (x,y) through a distance ρ which may be as small as we please. Since the increment of P is given by:

$$dP = \rho \cos \theta \frac{\delta P}{\delta x} + \rho \sin \theta \frac{\delta P}{\delta y}$$

[1] Pantaleoni, *Erotemi* I. Laterza, Bari, 1925. *Analisi del concetto di "forte e debole."*

[2] Edgeworth, op. cit., pp. 20–1.

and $\rho \cos \theta = dx$ and $\rho \sin \theta = dy$, it is evident that X can move only on one side of a certain line of which the equation is

$$\rho \cos \theta \frac{\delta P}{\delta x} + \rho \sin \theta \frac{\delta P}{\delta y} = O.$$

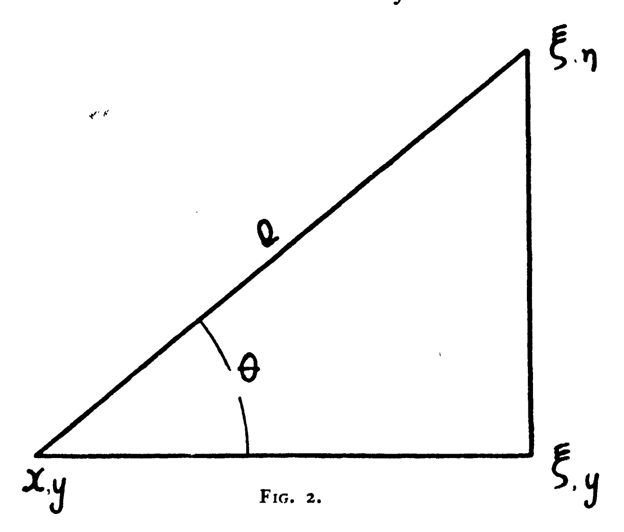


FIG. 2.

And since $\rho \cos \theta = \xi - x$ and $\rho \sin \theta = \eta - y$ this may be written

$$(1) \quad . \quad . \quad (\xi - x)\frac{\delta P}{\delta x} + (\eta - y)\frac{\delta P}{\delta y} = O.$$

More precisely, equation (1) is the differential equation characterising a family of curves. Moving on any one of these curves X will have no increase and no diminution of his utility. It is clear that this is the characteristic of the curves of constant satisfaction. The direction along which X will prefer to move will logically be that which will enable him to acquire the greatest utility, that is, the direction perpendicular to the line of constant utility. The like happens in the case of Y. The differential equation for the curves of constant satisfaction for Y is therefore

$$(2) \quad . \quad . \quad (\xi - x)\frac{\delta \Pi}{\delta x} + (\eta - y)\frac{\delta \Pi}{\delta y} = O.$$

If now we ask in what directions X and Y will be disposed to move together we must reply: In a direction positive for both. They will refuse to move further when their lines of constant satisfaction coincide. For the two lines to coincide it is necessary

that equations (1) and (2) should be satisfied by the same values, other than zero, of $(\xi - x)$ and $(\eta - y)$; and this happens when the determinant of the system of the two homogeneous equations in $(\xi - x)$ and $(\eta - y)$ is zero, that is, when

$$(3) \quad . \quad . \quad . \quad \frac{\delta P}{\delta x}\frac{\delta \Pi}{\delta y} - \frac{\delta P}{\delta y}\frac{\delta \Pi}{\delta x} = 0.$$

Equation (3) is the equation of a curve. We see therefore that instead of a point (x, y) such that, if a displacement takes place in

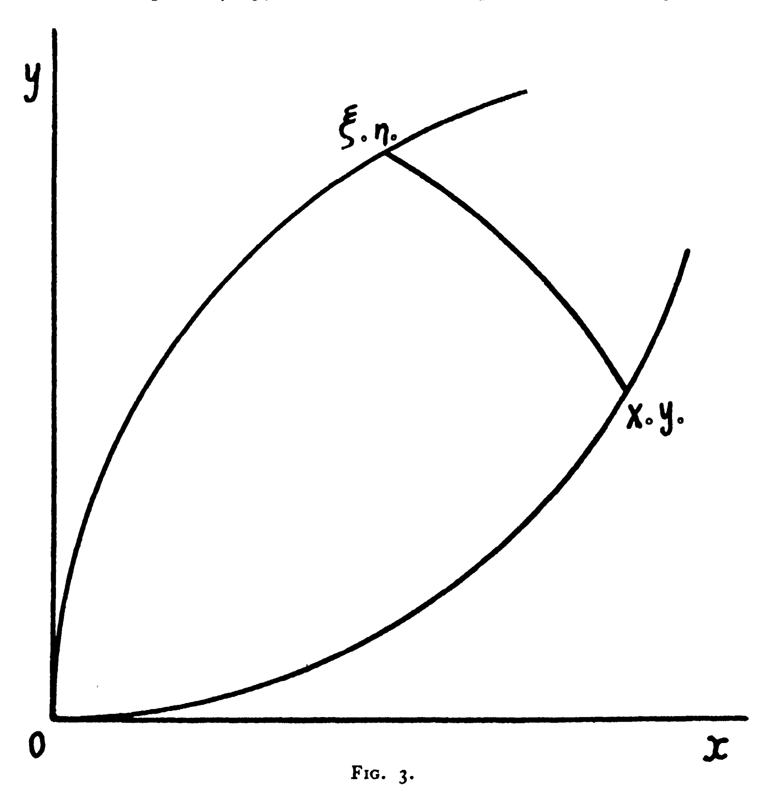


FIG. 3.

any direction through an infinitesimally small distance, P and Π will not vary in the same way but while one increases the other diminishes, a line has been found, the locus of the points satisfying the conditions mentioned. To this line Edgeworth gave the name of the "Contract-curve." [1]

[1] Op. cit., p. 17.

Given the line of indifference for each party, it is always possible to determine the contract-curve; the part of it comprised between the points of intersection $x_0 y_0$, $\xi_0 \eta_0$ with the two lines of indifference contains an infinite number of points, each of which represents a definite agreement between the parties. Such agreements we will call "final settlements," that is, agreements to the variation of which there cannot be the mutual consent of both parties. The utility of the agreement is zero for the worker at the point (x_0, y_0), since that point stands on the line of indifference of the worker and therefore gives him no advantage. In like manner the utility of the agreement is zero for the employer at the point (ξ_0, y_0).

Final Settlements.

In practice, when a worker or a union of workers treats with an employer or with an association of employers carrying on a certain industry, a series of ratios is formed which corresponds fairly closely with the lines of indifference above described. Such ratios will not express merely fanciful demands, but will be determined by the lowest standard of living that a class of workers, for example, is disposed to accept, a number of pleasures being admitted which are inherent even in a slender budget, but which were unknown to higher classes in a period of less advanced industrial development. Similarly the employer endeavours to obtain a certain remuneration below which he would not consider it worth while to enter into the agreement and he proposes therefore to the workers a series of ratios which, according to the circumstances known to him, forms his starting-point. Between these two extreme and conflicting demands agreement must be found. Both the parties find the agreement because they consider that it is more advantageous to stabilise their reciprocal positions and because they respectively tend to an adjustment which improves their own positions. Each party aims at pushing the other back to his line of indifference and getting as far as he can from his own.

When efforts are made to reach agreements which exploit excessively the possibilities of the worker on the one hand or of the employer on the other, when the worker is condemned to a starvation wage or the employer is progressively deprived of any profit and is driven to close the undertaking, both the parties are precluded from the possibility of agreement, this case corresponding to a point not situated on the contract-curve.

§ 5. Before proceeding further it will be well to note what are the positions taken up by Edgeworth and Marshall in seeking the cause of the uncertainty of the position of equilibrium between

two contracting parties. According to Marshall, the uncertainty of the definite position of equilibrium in the case of a market with only two contracting parties is due to the necessity we find for considering the final degrees of utility of both commodities as being subject to variation. Thus, according to Marshall, if the final degree of utility of one of the commodities were constant, there would be determinateness of the equilibrium. If by determinateness of the equilibrium is understood determinateness of every element represented by the well-known diagram, this assertion would be partly erroneous, as Edgeworth shows,[1] since the indeterminateness of the point of equilibrium remains, even when the marginal utility of one of the two commodities, for example, money, is constant. Hence it is the absence of competition which gives rise to the indeterminateness of the point of equilibrium, rather than the variability of the final utility of both goods, considered during the operation of exchange. If we regard as constant the marginal utility of one of the commodities (for example, money, the commodity y of the case above described) we find that the contract-curve becomes a straight line parallel to the axis of y; or, the marginal utility of y being constant, we can substitute for P (total utility of the party X) the expression $U_1(x) + \alpha y$, and for Π the expression $U_2(x) + \beta y$. Hence the contract-curve becomes

Notes on a controversy between Edgeworth and Berry.

$$\frac{\delta U_1(x)}{\delta x}\beta = \frac{\delta U_2(x)}{\delta x}\alpha$$

or $F(x) = O$, from which we have $x =$ constant.

If, however, it is meant, not that the point of equilibrium is determinate but the ratio of exchange[2], the opinion of Marshall is correct. The ratio of exchange $\frac{dy}{dx}$ is not identical with the point of equilibrium which has co-ordinates determined by the equations

$$\frac{\delta}{\delta x}(P + \Pi) = O, \frac{\delta}{\delta y}(P + \Pi) = O.$$

These co-ordinates, on the other hand, must satisfy the relation $\frac{dy}{dx} =$ constant.

§ 6. The case of a closed market with only two competitors

[1] *Giornale degli Economisti*, 1891, p. 237. [2] *Ibid.*, Berry, p. 552.

has been approached in practice in recent times through the action of the Combinations. But this is, nevertheless, always a theoretical case. Practice shows markets complicated by a greater number of contracting parties; whoever is interested in the settlement of disputes between workers and employers aspires to the possibility of finding points of agreement comparatively precise and not oscillating too far between wide limits.

Determination of the Point of Equilibrium *par excellence.*

Edgeworth, in the brilliant study already quoted, introduces new contracting parties into a field of competition limited to two only. The new contracting parties, who enter subsequently into the market, can bargain with all the others, so that to every new settlement corresponds a point which is a point of equilibrium, inasmuch as it lies on the contract-curve, since if it were not on that curve, it would be to the interest of all parties to reach the curve.

On the other hand, that there must be one point only of equilibrium is no longer in the nature itself of the agreement, which endeavours to secure an understanding between the contracting parties as compared with the instability in which those who do not agree are placed.

To arrive at the definition of the point of equilibrium *par excellence*, Edgeworth supposes the number of contracting parties to increase indefinitely. If they are divided into two large classes, each distinguished by elements of a like nature, Edgeworth finds that the point of equilibrium *par excellence* is determined by the intersection with the contract-curve of the two curves represented by the equations

$$\xi\frac{\delta\Phi}{\delta x} + \eta\frac{\delta\Phi}{\delta y} = 0$$

$$\xi\frac{\delta F}{\delta x} + \eta\frac{\delta F}{\delta y} = 0$$

These two equations correspond in a general way to the transactions of two individuals in a market. They represent, moreover, the necessary condition for equilibrium, inasmuch as equilibrium *par excellence* is characterised by maximum advantage for both parties, and this maximum condition is expressed mathematically by equating to zero the differentials of the functions $F(\xi, \eta)$ and $\Phi(\xi, \eta)$, which represent respectively the total utilities of each party. The conditions indicated correspond to the two equations of exchange of Jevons.[1] The curves represented by them may

[1] Jevons, *Theory*, p. 108.

be called curves of demand, as each expresses the quantity of goods exchanged at a certain ratio of exchange which will afford the maximum advantage to one of the parties.

When the infinitely numerous contracting parties are not divided into two opposing classes, but act according to their own tastes independently of each other, then there will be formed an infinite number of contract-curves, which may be conceived as being grouped round a mean. The curves of indifference, moreover, will be concentric since they correspond to an approximate similarity of tastes. To determine the point of equilibrium *par excellence* we shall have, if there are m contracting parties on the one hand and n contracting parties on the other, $2m + 2n$ equations for the $2m + 2n$ unknown quantities, so that the equilibrium will be perfectly determinate. That is, in this case absolutely free competition supplies as many equations as there are unknown quantities necessary for determining the equilibrium *par excellence.*

§ 7. The conditions required by Edgeworth in order to ascertain the point of equilibrium *par excellence* are the following:—

Conditions required in order to ascertain the Point of Equilibrium *par excellence.*

I. To further increments of work corresponds an increase of sacrifice objectively measured. (Law of increasing effort.)

$$\frac{\delta P}{\delta x} < o, \frac{\delta P}{\delta y} > o.$$

II. The marginal utility of a thing for a person diminishes with every increment of the quantity of the thing that the person already has. (Law of diminishing utility.)

$$\frac{\delta^2 P}{\delta x^2} < o; \frac{\delta^2 P}{\delta y^2} < o.$$ [1]

III. On the same free market at a given moment there cannot be two prices for the same article. This condition must be understood as referring to the case of prices subject to continuous variation, that is, regarding the ratio of exchange as the ratio of infinitesimal quantities of products dy and dx. In general from the static point of view, we may consider ratios of finite quantities y and x and state with Jevons the law: "In an act of exchange the last increments must be exchanged in the same ratio as the total quantities exchanged, that is $\frac{y}{x} = \frac{dy}{dx}$."

[1] Edgeworth, *Papers II*, p. 296. Macmillan, 1925.

IV. The advantage of all the competitors in the field must be maximum.

Each of these conditions, taken in itself, forms a theoretical truth, but it presupposes a preliminary abstract conception in the hypothesis of a free market and in the hypothesis of fluidity in that market. In order that there may be the maximum advantage for all the contracting parties it is necessary that each of them should move along his curve identified by Edgeworth as the curve of demand, that is, that there should be determination and complete possibility of determination of the quantities of goods demanded in relation to the quantity of goods offered. It is out of the question that this complete possibility of determination should occur, particularly in the case of the commodity labour, even though we may seek, through the medium of official employment bureaux, to obtain data which, indeed, are collected more with a view to social objects than to elaboration in reference solely to the price of labour.

All forms of association amongst producers, created for the purpose of controlling or in any way regulating the selling price of a commodity, hinder the fluidity of the market; that is, they contravene condition III, inasmuch as they keep fixed at a certain moment or in a certain region the price of some articles, thereby preventing the continuous variation which was postulated as a fundamental condition. The same may be said for co-operative societies when they attain the object of enabling the members to realise a saving on the purchase price of any product; and so on, as we shall say presently with reference to Combinations.

The fewer the number of competitors the more the field of Indeterminateness increases.

§ 8. From what has been said so far, it results that by indefinitely increasing the number of contracting parties and the possibility of coming to understandings with one another by means of mutual agreements, we render possible or rather approach the determination of a point of equilibrium, called equilibrium *par excellence* inasmuch as it gives the maximum advantage to all the competitors. Conversely when there are only two contracting parties in the field the possibilities of agreement remain indeterminate and theoretically infinite in number, corresponding to an infinite number of points placed on a finite portion of the contract-curve. This portion is comprised between the two points of intersection between that curve and the two curves of indifference. When one passes from two contracting parties to a larger number, each new competitor who enters the market offers a series of ratios more favourable to the person with whom he wishes to bargain. The latter, as a result of the more

advantageous offer, will tend to displace his curve of indifference to his own advantage, and to restrict the portion of the contract-curve on which are represented the final settlements.

Let us suppose that there is an equal number of contracting parties, X and Y respectively, with like tastes and that each X can treat only with n'Y and each Y with nX; we shall have that increasing n' will diminish the region of indeterminateness towards the curve of indifference of X, that is, that part of the final settlements most favourable to Y is taken away. In practice this means increasing competition amongst employers in search of workers. Increasing n will diminish the region of indeterminateness towards the curve of indifference of Y, that is, that part of the final settlements most favourable to X is taken away. In practice this means increasing competition between workers in search of an employer who will engage them. In conclusion we may affirm that the smaller the number of competitors, the greater is the indeterminateness on the contract-curve.

IV

Combinations among Producers diminish the number of competitors in a Market.

§ 1. Some of the X and some of the Y may agree in regulating the demand or the supply (or both) of the respective goods. In this case we have as many Combinations as there are groups of X and Y. In respect of free competition every Combination formed between n individuals reduces the competitors from n to 1. If in a closed market of N competitors combinations are formed each of n individuals, the field is the same as if it consisted of $\frac{N}{n}$ individuals. Increasing n, that is, the number of persons who enter into a combination, increases the indeterminateness of the agreement. The final settlements which the Combinations bring about represent advantages for the associates in comparison with the conditions existing prior to the intervention of the Combinations themselves. In the presumed guarantee of larger earnings lies the reason which decides a worker to enter into a Combination. The workers, as also any persons who belong to a Combination, tend to gain in comparison with free individuals. These last are attracted by the advantages of the Combinations, particularly by the guarantees which they offer in periods of industrial depression. When the individuals in the field practically all belong to the Combinations, the case corresponds

exactly to a market in which a limited number of individuals operate, some of whom may be considered as having a monopoly. Hitherto the most usual case has been that in which isolated individuals and Combinations exist side by side.

Trade-Unions and Syndicates.

§ 2. It is in this phase that the Trade-Unions have flourished. The conditions of equilibrium maintained by the Liberal State are everywhere shaken and individualism in the economic field seems now a position difficult to define. The Trade-Unions, like the greater number of the forms of syndicates, have aimed at artificially limiting labour in the trades controlled by them, with the object of regulating wages. These forms of Combination were successful and popular as independent bodies precisely during the Liberal period. But they have prospered only where suitable conditions existed. These conditions have also been discussed by Marshall and the following paragraphs may be regarded as a summary of his conclusions, slightly adapted to the exigencies of the present study [1]:—

I. Singleness of method in the production of the commodity obtained by means of the trade controlled by the Union. This first condition is derived from the following: (*a*) that the Union should have the control of the labour supply in that trade and in the district; (*b*) that the commodity cannot easily be imported from another district in which the conditions of labour are not under the control of the Union; (*c*) that only one method is adopted for the production of the commodity and that it is not possible to introduce another method with better conditions which enables labour to be foregone.

II. Considerable increase in the price of the commodity in question if the supply is diminished.

III. Wages must be so small a part of the total cost of production of the commodity that a relatively large increase in wages does not result in an appreciable increase in the price of the commodity and consequently in a diminution of the demand.

IV. The other classes of workers engaged in other phases of the manufacture or preparation of the commodity (and the same may be said for the employers) must be willing to submit to a reduction in their remuneration and must not, at any rate, be in a position to obtain in their own favour an increased share of the total price of the product by means of the artificial limitation of the supply of their labour (or capital).

It is now difficult fully to realise these conditions. Though

[1] Marshall, *Elements of Economics*, p. 366. Macmillan, 1929.

protective legislation may limit foreign competition, internal migrations and technical improvements affect the efficacy of the first condition. All classes of workers tend to organise themselves and to every increase in the price of a commodity corresponds (when it does not precede) a movement on the part of the labourers in the allied trades to secure an increased share in the total price of the product as remuneration for their own work. The same occurs for the capitalists and employers in the case above described.

These considerations disturb the efficacy of Condition IV. Conditions II and III now rarely exist because the principles on which the formation of workers' Combinations is based are now different.

The conditions above mentioned corresponded to the circumstances existing in an epoch near to our own, but differing from it; the spirit of collectivisation has now permeated every class of producer to such an extent, that it is not only strictly economic conditions or economic conditions of the type described that determine the formation of Trade-Unions and of syndicates. Be it noted, too, that the Unions, at the time of their greatest development, aimed at securing for the workers, in addition to high wages, supplementary advantages which were called by Marshall "net advantages."[1] These advantages, which were often subjective, correspond to-day to necessities more generally felt and relate to the conditions of cleanliness, health and dignity in which work is carried out. In the present Corporative System in Italy, and generally in every other modern system of production, these advantages tend to become general in every trade; hence it may be presumed in future that, the protection of the workers being equal, it will again be only high wages which will form the inducement to adopt one trade rather than another. But the lower the conditions of a people the greater will be the flow of workers towards the humbler trades. If, again, it is held that the Unions ought to have as an object the protection of their members even in times of general industrial depression, it would be necessary that they should be provided with considerable means, larger than those which they have hitherto been able to show that they actually possessed in cases of necessity. This is particularly true in the case of Unions of unskilled workers. The number of these cannot be greatly reduced in any trade and is absolutely irreducible in all trades taken together. The attitude of the Unions of unskilled labourers in the face of widespread

[1] Marshall, op. cit., p. 266.

unemployment is necessarily passive. The limitation of the hours of labour is the only remedy to meet the situation.

§ 3. In the field of competition may be noted tendencies and peculiarities which render absolutely free competition impossible.

Imperfections inherent in Combinations.

These tendencies and peculiarities have been improperly described as imperfections.[1] It is true that these imperfections hinder the attainment of perfect equilibrium. But to call them imperfections would be to suppose that they were something exceptional while the tendencies and peculiarities in question are the rule, at least so far as we can see, in the present situation of the markets.

(*a*) A general tendency in the market of a commodity is that towards monopoly. To combine the manufacture of a certain product, the distribution and in some way the demand and the supply in a few hands is a frequent phase in every productive cycle. Unions and syndicates endeavour to control the supply and demand of labour and aim at extending to the utmost their radius of influence.

(*b*) The co-operative movement combines many individuals in productive and distributive organisations; provided that all the members of these organisations treat through them and not individually with the employer, the field of competition will be determinate to the same extent as if the contracting parties were the same number of single individuals as there are co-operative associations in the field. Hence it follows that the more generally the co-operative system is adopted (that is, the more the number of co-operative societies increases) the less, other conditions remaining unchanged, the indeterminateness becomes.

(*c*) A peculiarity, which constantly reduces the perfect fluidity necessary for free competition, is that which is inherent in every kind of personal service. In fact every worker can sell one unit of work only and cannot store his energy in case of inactivity; while the employer of labour, considered as a single individual, has before him a number of workers amongst whom he can choose the units that suit him best; moreover he can arrange the rhythm of production with a certain independence in regard to time, providing himself with the quantities of goods that he requires or on the other hand slowing down the process of manufacture.

All the considerations so far set out lead to the conclusion that free competition in general and particularly in the field of labour is a theoretical abstraction. It seems that a system of absolute

[1] Edgeworth, *Mathematical Psychics*, p. 45.

fluidity in a market ought to determine the point of equilibrium which allows the maximum advantage to each contracting party. In practice, at every step we find that economic equilibrium is based on limitations of every kind. Here and there we come across tendencies and uniformities, schemes of relations and determinations of ratios of exchange. It is practically impossible in present circumstances to determine by means of these factors the point where the contract-curve intersects the curves of demand and supply of opposing classes of contracting parties.

§ 4. As faith in competition declines the necessity increases of determining by means of expert arbitrators the final settlement in which contracting parties whose interests are opposed will find themselves in agreement; that is the most opportune point on the contract-curve. In the present system of collective trade agreements under the Italian Corporative Régime the case of the rate fixed by the arbitrator is only a corollary of the foregoing statement. In fact the arbitrator determines the rates which will eventually be established in a sufficiently long period between supply and demand and gives due weight to the fluctuations of the market.

Need for a principle of Arbitration.

In determining what will be, on the contract-curve, the point lying between the curves of indifference, the arbitrator acts in a manner fully justified in relation to economic laws. The more impartial the arbitrator, the more he will aim at a utilitarian adjustment of the articles in question, the object of the agreement being the maximum utility for the contracting parties. The utilitarian settlement is not unaccompanied by moral qualities that render it more acceptable when selected by an impartial judge; this settlement satisfies the sentiment of sympathy and of economic collaboration which is characteristic of the present rhythm of production and corresponds to a sense of utilitarian justice, which is probably the type of justice of which the men of to-day are most conscious.

It may be noted at this point that to every Combination corresponds a desire on the part of the associates to realise a maximum of advantage independently of the increase or decrease of the utility of other classes or even of the national dividend. Whoever aims at being a good unionist or member of any syndicate, by the very fact of belonging to this type of Combination, is looking for the greatest possible advantage, this being the main reason of his association. The arguments of the Liberal economists regarding the diminution of the national income which the members of a syndicate may bring about are devoid of any foundation, when

the members gain by means of their association more than what they lose as citizens in consequence of that diminution. It may further be noted in this connection that the greater accuracy of economic forecasts and their wider diffusion have developed in every member of modern political communities a more conscious feeling of interest in the future. In the past, contrary to what seems to happen to-day, the workers and the employers in their demands rarely considered the future development of their industries.

In view of the distributive system in force it seems foolish to push one's demands to the extreme limit of the possibilities of the other contracting party in such a way as to compel him to reject the agreement. You may milk a cow, but it is foolish to kill her. But on the other hand the greater accuracy of the economic forecasts, the greater consciousness of the social necessities in every citizen and the more general discussion of economic and financial problems impel modern States to the elaboration of principles and plans, whereby the development of industry, trade and every other productive activity becomes incorporated in more or less compulsory schemes. In the face of assertions put forward regarding "the higher interests of production," [1] the producer, to whatever productive class he may belong, ends by including in his own decisions considerations which have a double foundation, namely inspiration by a collectively utilitarian morality and acceptance of the necessity of political quietism felt in the present period. Attention is every day more diverted from the pure principles of politics and of morality; men are more interested in concrete applications, rarely, and never in an impartial spirit, turning their eyes towards absolute ideals.

V

§ 1. The system of graphic representation previously indicated (Fig. 1) lends itself also to some considerations of the case in which one of the two contracting parties is the State. It frequently happens that the State becomes an employer of labour and that it may, in some way, bargain with third parties in the manner of a commercial or industrial body in a mixed Régime. Here, on the other hand, we wish to direct attention to the field of collectivist experiments, in which the State itself assumes every phase of the productive

Case of nationalised Industry.

[1] *Carta del Lavoro*, Declaration IV.

process, claiming also the property therein, and considers individuals as its wage-earning employees (nationalised industry). We shall find that the demands of individuals start from considerations relating to their present standard of living or are based on that standard of living which it is logical for them to hope to be able to attain in a not very distant future. There is no way of estimating, even approximately, the circumstances of the other contracting party, since the circumstances of the State depend on a considerable number of factors, some of which are quite unknown to the persons engaged in any branch of production. The State, on the other hand, will draw up general schemes of production by means of its experts and will fix a certain determined dividend for the workers independently of particular estimates of the position of a special industry.

Every class of worker will have a share in the total sum set aside for wages without having the possibility of any considerable variation either above or below that figure, but only a probability of reductions in case of economic crisis. What will be the position of a worker or of a class of workers in relation to the State? The worker will be kept constantly at the margin, that is, his curve of indifference will be pushed as far as possible towards the axis of x and his agreement will necessarily be near to that curve.

No Ground lies for a Principle of Arbitration.

§ 2. Every increase of wages demanded by a class of workers will meet opposition from the interests of all the other productive classes, since each of them is faced, not by an employer whose interests are largely conflicting, but by the community, the guardian of the national dividend. Moreover, there can be no principle of arbitration; in fact the arbitrator will be the other contracting party, that is, the State. In the present mixed systems, in spite of the inevitable interference of politics in economic affairs, the principle of arbitration is nevertheless always a considerable safeguard of the interest of the parties. In a collectivist system it may be hypothetically admitted that account should be taken of the weight of each class in the determination of the equilibrium, but it is inevitable that the unit of remuneration of a typical wage-earner will be proportionate to the wages of the last competitor in search of work. In fact it is a postulate of the collectivist social system that the maximum benefit ("ophelimity") must be given to every individual composing the community.[1] It is to the interest of every class of salaried workers to avoid any displacement, however

[1] Pareto, *Manuale*, p. 343. Soc. Ed. Libr., Milan, 1919.

slight, since any such displacement necessarily causes injury to one part of the persons composing the community and gives an advantage to others. The hope of a better to-morrow, better in comparison with to-day and in comparison with the to-morrow of one like to himself is a fundamental factor in life which urges man to live on and to struggle.

A collectivist system of production and distribution seems to take away many possibilities of rapid improvement in the standard of life of individuals. In order that individuals may interest themselves in the transformation of public polity it is necessary that new Régimes should attract them by means of higher spiritual ideals.

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it necessary to quote the various official bulletins of information (including regulations, laws, etc.) issued by the Ministry of Corporations and by the different Occupational Associations, but it has not been considered desirable to overload the book by including excessively detailed and not absolutely essential references.

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